Draft Letter of Offer
June 29, 2017
For Eligible Equity Shareholders only

Shalimar Paints Limited

(Our Company was incorporated as Shalimar Paint, Colour And Varnish Company Private Limited on December 16, 1902 under the Indian Companies Act, 1882 with the Registrar of Companies. The name of our Company was changed to Shalimar Paint, Colour and Varnish Company Limited and fresh Certificate of Incorporation dated September 11, 1956 was issued by the Registrar of Companies, West Bengal. The name of our Company was once again changed to Shalimar Paints Limited and fresh Certificate of Incorporation dated September 18, 1963 was issued by the Registrar of Companies West Bengal. The Registered Office of the Company has been changed from the state of West Bengal to the Gurgaon (Haryana) on September 01, 2016. The registered office was further shifted to the current address with effect from February 10, 2017. The Corporate Identification Number of our Company is L24222HR1902PLC065611)

Registered & Corporate Office: Stainless Centre, 4th Floor, Plot No. 50, Sector 32, Gurugram, Haryana -122 001
Tel. No.: +91 124 4616600; Fax No.: +91 124 4616659
Company Secretary & Compliance Officer: Mr. Nitin Gupta
E-mail: nitin.gupta@shalimarpaints.com; Website: www.shalimarpaints.com

OUR PROMOTERS: MR. RATAN JINDAL AND M/S HIND STRATEGIC INVESTMENTS

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF SHALIMAR PAINTS LIMITED ONLY

DRAFT LETTER OF OFFER

ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ("EQUITY SHARES") OF SHALIMAR PAINTS LIMITED ("SHALIMAR" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] (INCLUDING SHARE PREMIUM OF ₹ [•]) PER EQUITY SHARE ("ISSUE PRICE") FOR AN AGGREGATE AMOUNT NOT EXCEEDING ₹ 5,000 LAKHS TO THE ELIGIBLE EQUITY SHAREHOLDERS ON RIGHTS BASIS IN THE RATIO OF [●] EQUITY SHARE FOR EVERY [●] EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. [●] (THE "ISSUE"). THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in relation to this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the issue have not been recommended or approved by the Securities and Exchange Board of India, **("SEBI")**, nor does SEBI guarantee the accuracy or adequacy of the Letter of Offer. **Investors are advised to refer to the section titled "Risk Factors" given on page 7 before making an investment in this Issue.**

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that the Draft Letter of Offer contains all information with regard to the Issuer and the Issue, which is material in the context of this Issue, that the information contained in the Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes the Draft Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). We have received "in-principle" approval from BSE and NSE for listing the Equity Shares to be allotted in the Issue vide their letter dated [●] and [●] respectively. For the purpose of this Issue, the Designated Stock Exchange is BSE.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
SPA Capital Advisors Limited SEBI Reg. No.: INM 000010825 25, C - Block Community Centre, Janak Puri, New Delhi - 110 058 Tel.: +91 11 4567 5500, 2551 7371 Fax: +91 11 2553 2644 E-mail: spl.rights@spagroupindia.com Investor Grievance e-mail id: grievances.mb@spagroupindia.com Website: www.spacapital.com Contact Person: Anchal Lohia	**MCS Share Transfer Agents Limited** SEBI Regn. No.: INR000004108 F-65, 1st Floor, Okhla Industrial Area, Phase I, New Delhi – 110 020 Tel.: +91 011 41406149 Fax: +91 011 41709881 E-mail: s.biswas@mcsregistrars.com / ajaysingh@mcsregistrars.com Investor Grievance e-mail id: helpdeskdelhi@mcsregistrars.com Website: www.mcsregistrars.com Contact Person: Mr. Ajay Singh

ISSUE PROGRAMME		
ISSUE OPENS ON	**LAST DATE FOR REQUEST FOR SPLIT APPLICATION FORMS**	**ISSUE CLOSES ON**
[●]	[●]	[●]

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DEFINITIONS AND ABBREVIATIONS

In this Draft Letter of Offer, unless the context otherwise requires, the terms defined and abbreviations expanded below shall have the same meaning as stated in this section. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

Company Related Terms

Term	Description
"Shalimar" / "Company" / "Issuer" / we / us / our	Unless the context otherwise requires, refers to, Shalimar Paints Limited, a public limited company under the Companies Act, 2013 and will include our Subsidiary
Articles of Association	The Articles of Association of our Company, as amended from time to time
Statutory Auditors / Auditors	The Statutory Auditors of our Company, M/s. Chaturvedi & Partners, Chartered Accountants (Firm Registration No. 307068E)
Board of Directors / Board	The Board of Directors of our Company, unless specified otherwise
Directors / our Directors	The Director(s) on the Board of our Company, unless otherwise specified
Equity Shares	Equity share of our Company of face value Rs. 2 each
Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Promoter	The promoter of our Company namely Mr. Ratan Jindal and M/s Hind Strategic Investments
Registered Office	Registered Office of our Company situated at Stainless Centre, 4th Floor, Plot No. 50, Sector -32, Gurugram , Haryana - 122001
Subsidiary Company / Subsidiary	The subsidiary companies of our Company, namely • Eastern Speciality Paints & Coatings Private Limited • Shalimar Adhunik Nirman Limited

Issue Related Terms

Term	Description
Abridged Letter of Offer	The Abridged Letter of Offer sent to Eligible Equity Shareholders of our Company with respect to this Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act.
Allotment / Allotted	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue
Allottee(s)	Persons to whom our Equity Shares will be issued pursuant to the Issue
Applicant(s) / Investor(s)	Eligible Equity Shareholders and / or Renouncees who are entitled to apply or have applied for Equity Shares under the Issue, as the case may be
ASBA / Application Supported by Blocked Amount	The application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the amount payable on application in the ASBA Account.
ASBA Account	Account maintained with an SCSB and specified in the CAF or plain paper application, as the case may be, for blocking the amount mentioned in the CAF, or the plain paper application, as the case may be.
ASBA Investor(s)	Eligible Equity Shareholders proposing to subscribe to the Issue through ASBA process and who are holding our Equity Shares in dematerialized form as on the Record Date and have applied for their Rights Entitlements and / or additional Equity Shares in dematerialized form; have not renounced their Rights Entitlements in full or in part; are not renouncees; and are applying through blocking of funds in a bank account maintained with SCSBs. All QIBs, Non-Institutional Investors and other Investors whose application value exceeds ₹ 2,00,000 complying with the above conditions must participate in this Issue through the ASBA Process only.

Term	Description
Banker(s) to the Issue	[●]
Composite Application Form / CAF	The form used by an Investor to make an application for the Allotment of Equity Shares in the Issue
Consolidated Certificate	The single certificate issued by our Company to each Allottee per folio to whom Equity Shares are allotted in physical form pursuant to the Issue.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange, a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Designated Branches	Such branches of the SCSBs which shall collect application forms used by ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Designated Stock Exchange	The Designated Stock Exchange for this Issue shall be BSE Limited
Draft Letter of Offer	The Draft Letter of Offer dated June 29, 2017, filed with SEBI for its observations, which does not contain complete particulars of the Issue.
Eligible Equity Shareholder(s)	Equity Shareholders of our Company as on the Record Date
Equity Shares	Fully paid up equity shares of our Company having a face value of ₹ 2 each
Issue / Rights Issue	Issue of [●] Equity Shares of face value of ₹ 2 each ("Equity Shares") of Shalimar Paints Limited ("Shalimar" or the "Company" or the "Issuer") for cash at a price of ₹ [●] (including share premium of ₹ [●]) per Equity Share ("Issue Price") for an aggregate amount of ₹ 5,000 lakhs to the Eligible Equity Shareholders on rights basis in the ratio of [●] Equity Share for every [●] Equity Shares held by the Eligible Equity Shareholders on the record date, i.e. [●].
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Price	₹[●] per Equity Share
Issue Proceeds	The monies received by our Company pursuant to the issue of Equity Shares on Rights basis which are allotted pursuant to the Issue
Issue Size	The issue of [●] Equity Shares aggregating to ₹ 5,000 Lakhs
Lead Manager	SPA Capital Advisors Limited
Listing Agreement	The listing agreement entered into between us and the Stock Exchanges
Non Institutional Investor(s)	Non institutional investor as defined under Regulation 2(1)(w) of the SEBI ICDR Regulations.
"Qualified Foreign Investor(s)" / "QFI(s)"	Qualified Foreign Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 (as amended), registered with SEBI under applicable laws in India. A Qualified Foreign Investor may buy, sell or otherwise continue to deal in securities without registration as Foreign Portfolio Investors subject to compliance with conditions specified in the SEBI (Foreign Portfolio Investors) Regulations, 2014
Qualified Institutional Buyer(s) / QIB(s)	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FIIs and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with IRDA, provident fund with minimum corpus of ₹ 250 millions, pension fund with minimum corpus of ₹ 250 millions, National Investment Fund set up by the Government of India and insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India
Record Date	[●]

Term	Description
Registrar / Registrar to the Issue	MCS Share Transfer Agent Ltd (SEBI Regn. No. INR000004108) having its office at F-65, First Floor, Okhla Industrial Area, Phase – I, New Delhi – 110020.
Renouncees	Any person(s) who has / have acquired Rights Entitlements from the Eligible Equity Shareholders
Rights Entitlement	The number of Equity Shares that an Eligible Equity Shareholder is entitled, that is determined as a proportion to the number of Equity Shares held by such Eligible Equity Shareholder on the Record Date, i.e., [●] Equity Share for [●] Equity Shares held on [●].
Self-Certified Syndicate Bank / SCSB	Self-Certified Syndicate Bank(s), registered with SEBI, which acts as a Banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Share Certificate	The certificate in respect of the Equity Shares allotted to a folio
SAF	Split Application Form
Stock Exchange	BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where our Equity Shares are presently listed
Working Day	Working Day of SEBI

Conventional / General Terms and Abbreviations

Term	Description
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited
Companies Act	Means the Companies Act, 1956 or the Companies Act, 2013, as may be applicable, as amended or substituted by any statutory modification / re-enactment thereof
CDSL	Central Depository Services (India) Limited
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository / Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time, in this case being NSDL and CDSL
Depository Participant / DP	A depository participant as defined under the Depositories Act
DGMS	Directorate General of Mines Safety
ECS	Electronic Clearing System
EGM	Extra Ordinary General Meeting
EPS	Earnings per Equity Share
ESOP	Employees Stock Option Plan
FCCB	Foreign Currency Convertible Bonds
FIs	Financial Institutions
Foreign Institutional Investor / FII	Foreign institutional investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995) registered with SEBI under applicable laws in India
Foreign Portfolio Investor / FPI	Foreign portfolio investor as defined under SEBI (Foreign Portfolio Investors) Regulations, 2014
Financial Year / Fiscal Year / FY	Twelve months ending on March 31 of a particular year
FVCI	Foreign venture capital investor, registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000
GoI	Government of India
HUF	Hindu Undivided Family
Indian GAAP	The generally accepted accounting principles in India
Listing Agreement	The equity listing agreement signed between our Company and the Stock Exchange

Term	Description
Non Residents	All Bidders who are not NRIs or FIIs and are not persons resident in India
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
RBI	Reserve Bank of India
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended

Technical / Industry related terms

Term	Description
ASSOCHAM	The Associated Chambers of Commerce and Industry of India
CAGR	Compounded Annual Growth Rate
FDI	Foreign Direct Investment
FMCG	Fast Moving Consumer Goods
FY	Financial Year
GDP	Gross Domestic Product
GST	Goods and Services Tax
IIP	Index of Industrial Production
IMF	International Monetary Fund
INR	India Rupee
IPA	Indian Paint Association
kg	Kilo Gram
MT	Metric Ton
NIC	National Industrial Classification
OEM	Original Equipment Manufacturer
RBI	Reserve Bank of India
USD	United States Dollar

CURRENCY OF FINANCIAL PRESENTATION

In the Draft Letter of Offer, unless the context otherwise requires, the currency is "Indian Rupees/ Rs./ INR/ ₹". All references to one gender also refers to another gender and the word "Lac / Lakh" means "one hundred thousand", the word "million (mn)" means "ten lac / lakh", the word "Crore" means "ten million" and the word "billion (bn)" means "one hundred crore". In the Draft Letter of Offer, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Throughout the Draft Letter of Offer, unless otherwise stated, all figures have been expressed in Lakhs and / or millions. Unless indicated otherwise, the financial data in the Draft Letter of Offer is derived from our Company's restated audited financial statements for Financial years ending 2017, 2016, 2015, 2014 and 2013 prepared in accordance with Indian GAAP, applicable accounting standards and guidance notes issued by the ICAI, the applicable provisions of the Companies Act and other statutory and / or regulatory requirements and are included in the Draft Letter of Offer as required under the SEBI ICDR Regulations. Unless indicated otherwise, the operational data in the Draft Letter of Offer is presented on a basis and refers to the operations of our Company. In the Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

For additional definitions used in the Draft Letter of Offer, see the section 'Definitions and Abbreviations' on page 1 of the Draft Letter of Offer.

USE OF MARKET DATA

Unless stated otherwise, market data used throughout the Draft Letter of Offer was obtained from internal Company reports, data, websites and industry publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

FORWARD LOOKING STATEMENTS

Certain statements in the Draft Letter of Offer are not historical facts but are "forward-looking" in nature. Forward looking statements appear throughout the Draft Letter of Offer, including, without limitation, under the chapters "Risk Factors". Forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our competitive strengths and weaknesses, our business strategy and the trends we anticipate in the industry and the political and legal environment, and geographical locations, in which we operate, and other information that is not historical information.

Words such as "aims", "anticipate", "believe", "could", "continue", "estimate", "expect", "future", "goal", "intend", "is likely to", "may", "plan", "predict", "project", "seek", "should", "targets", "would" and similar expressions, or variations of such expressions, are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

By their nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved.

These risks, uncertainties and other factors include, among other things, those listed under "Risk Factors", as well as those included elsewhere in the Draft Letter of Offer. Prospective investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited, to:

- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Increasing competition in or other factors affecting the industry segments in which our Company operates;
- Changes in laws and regulations relating to the industries in which we operate;
- Our ability to meet our capital expenditure requirements and/or increase in capital expenditure;
- Fluctuations in operating costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Changes in technology in future;
- Changes in political and social conditions in India or in countries that we may enter, the monetary policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally; and
- Any adverse outcome in the legal proceedings in which we are involved.

For a further discussion of factors that could cause our actual results to differ, please refer to "Risk Factors" on page 7 of the Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither we nor the Lead Manager make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. Neither we nor the Lead Manager nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI / Stock Exchanges requirements, we and Lead Manager will ensure that the Eligible Equity Shareholders are informed of material developments until the time of the grant of listing and trading permissions by the Stock Exchanges.

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in the Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks and uncertainties described in this section are not the only risk we may face. If any of the following risks actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. Unless otherwise stated in the relevant risk factors set below, we are not in a position to specify or quantify the financial or other implications of any risk mentioned herein. In making an investment in this Issue, prospective investors must rely on their own examination of our Company and terms of the Issue. The numbering of the Risk Factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Information.

INTERNAL RISK FACTORS

1. ***We are party to various legal proceedings that, if determined against us, may have a material adverse impact on our business and financial conditions of our company.***

   Our Company is party to several legal proceedings. No assurances can be given as to whether these proceedings will be settled in our favor or against us. If a claim is determined against us and we are required to pay all or a portion of the disputed amount, it could have an adverse effect on the results of operations and cash flows of our Company. A classification of the legal proceedings instituted against and by our Company and the monetary amount involved in these cases is mentioned in brief below:

(Rs. In Lakhs)

SUMMARY OF OUTSTANDING LITIGATION INVOLVING OUR COMPANY				
CASES PENDING AGAINST OUR COMPANY				
S. no.	**Category**	**Type of Cases**	**Total no of cases**	**Amount involved**
1	Labour	Industrial Court/ Labour Court	28	199.56
2	Civil	Eviction/Re-Instatement	5	1.19
3	Appeals	Special Leave Petition	1	214.75
Total			**34**	**415.50**
CASES PREFERRED BY OUR COMPANY				
S. no.	**Category**	**Type of cases**	**Total no of cases**	**Amount involved**
1	Civil Suit & Winding Up	Summary/Money/Recovery Suit	7	191.73
2	Criminal	Under Section 408/418/420 of IPC	21	27.97
		Under Section 156(3) of IPC	1	70.92
		Under Section 138 N.I Act	248	516.27
3	Appeals	Civil/Criminal/Labour	5	1,435.94
Total			**282**	**2,242.83**
LITIGATIONS, NOTICES & APPEALS PENDING BEFORE TAX AUTHORITIES				
S. no.	**Category**	**Type of cases**	**Total no of cases**	**Amount involved**
1	Excise Cases	Appeals before High Court, CESTAT, Commissioner (Appeal), Assessing Authority	26	818.96
2	Income Tax Cases	Appeals/Rectification Applications before Commissioner/Deputy Commissioner	7	257.89
3	Central Sales Tax and VAT Cases	Appeals before Tribunal/Commissioner/ Joint Commissioner/Deputy Commissioner	36	5,518.26*
Total			**69**	**7,010.61**

*(Including liability on account of C/F/other forms) for which the management is of the opinion that these forms will be collected in due course, and no significant liability is expected in this respect.

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current or long term liabilities or reduce our cash and bank balance. For further details of the cases mentioned above, please see "Outstanding Litigations and Material Developments" on page 195 of the Draft Letter of Offer.

2. ***Our business is dependent on proper maintenance of manufacturing facilities which are located at various places across the country. The loss of or shutdown of operations at any of our manufacturing facilities may have an adverse effect on our business and results of operations.***

We have manufacturing facilities at various locations such as Howrah, Nasik, Sikandrabad (U.P) and facility at Gummidipoondi Tamil Nadu is in the process of being re-commissioned. There was a fire incident at Howrah Plant in March 2014 and the operations are suspended since then. Further, there was also a fire incident at Nasik Plant in November 2016 and the plant is not operating since then. The fire incidents have impacted the performance of these two plants. We have restarted part of the Nasik plant which was not affected by fire i.e. Resin, Aluminum and Packaging Unit in April 2017 having production of around 150 KL per month. The Howrah plant was badly damaged in the fire and its operations are not likely to start soon. Though we have taken sufficient insurance cover against fire, the claim amount is yet to be settled by the insurance companies.

Our manufacturing activities are subject to operating risks, such as fire, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, non-availability of services of our external contractors, earthquakes and other natural disasters, industrial accidents etc. The occurrence of any of these risks could significantly affect our operating results.

3. ***There has been a decline in the RONW of our Company over the last Financial Year. Any further decline in the RONW of our Company may have an adverse impact on our financials and the price at which our Equity Shares are traded on the Stock Exchanges.***

In the last Financial Year, our RONW has declined from Positive 8.52% in the Financial Year 2015-16 to Negative 12.82% in the Financial Year 2016-17 based on our Restated Standalone Financial Statements and from positive 8.49% in the Financial Year 2015-16 to Negative 13.12% in the Financial Year 2016-17 based on our Restated Consolidated Financial Statements. The RONW has gone down because of losses in FY 2016-17 on account of shut down of our Nasik Plant due to fire in November 2016. We cannot assure you that there will not be any further decline in our RONW in future. Any such decline may adversely impact our financials and the price at which our Equity Shares are traded on the Stock Exchanges

4. ***There has been delays in payment to Banks and certain statutory dues as on May 31, 2017***

There are delays in payment of dues to certain banks as on May 31, 2017. The cash credit account with Punjab National Bank is overdrawn by Rs. 756.71 Lakhs on account of delay in servicing of Letter of Credit. Also, the bill discounting facility with Axis Bank is overdue by Rs. 86.48 lakhs.
Further, there are pending VAT/Sales tax liabilities to the extent of Rs. 428.50 Lakhs as on May 31, 2017 and legal proceedings may be initaiated against us in case of non-payment of dues.
These delays were on account of cash deficit on account of non-operation of Nasik Plant due to fire incident.

5. ***Uncertainty regarding the manufacturing industry, housing market, economic conditions and other factors beyond our control could adversely affect demand for our products and services, our costs of doing business and our financial performance.***

Our financial performance depends significantly on the upcoming manufacturing industries, on the stability of the housing, residential construction, as well as general economic conditions, including changes in gross domestic product. Adverse conditions in or uncertainty about these markets, or the economy could adversely impact our customers' confidence or financial condition, causing them to determine not to purchase home improvement products and services or delay purchasing or payment for those products and services. Other factors beyond our control, the state of the credit markets, including mortgages and consumer credit and other conditions beyond our control, could further adversely affect demand for our products and services, our costs of doing business and our financial performance.
Industrial paint demand is dependent on infrastructure, automobiles, consumer durables and construction industry. Any slowdown in these industries and economy is a major risk for the paint industry. About 75% of demand of decorative paints arises from repainting which in turn depends on the country's economic condition.

6. ***Raw material most of which is crude based is sourced from external suppliers. Fluctuation in the price, availability and quality of the same could cause delay and increased cost***

The paint sector is raw material intensive, with over 300 raw-materials (40-50% crude-based derivatives) involved in the manufacturing process. Since most of the key raw materials are crude based, the industry is sensitive to crude oil prices. Any rise in crude oil price may hurt our margin as crude oil derivatives account for majority of input cost. Further, any delay in supply or non-conformity to quality requirements by our suppliers or fluctuations in the prices of the same can have a material adverse effect on our cost of goods sold and our ability to meet our customer's requirements. This may have an adverse effect on our margins and results of operations.

7. ***We have not undertaken an independent appraisal for proposed fund requirement and the deployment of the proceeds of the issue.***

The funds being raised through the Issue are proposed to be used for additional working capital requirement for projected increase in operations and for other general corporate purpose. The fund requirement is based on our management estimates' and has not been appraised by any bank/financial institution. These are based on current conditions. In view of the highly competitive nature of our industry we may have to revise our management estimates' from time to time and consequently our funding requirements may also change.

8. ***We outsource the manufacturing of some portion of our products and are therefore dependent on third parties***

As a result of shut down of Nasik plant due to fire in November 2016, the production at our plant has gone down. Consequently our sourcing of products from third party manufacturers and also through job work done by third parties has increased.

Particulars	**2016-17**	**2015-16**
	Quantity (Volume (KLtr))	**Quantity (Volume (KLtr))**
In-house Production	29,159	35,077
Outsourced	10,664	9,009
Total Quantity of Paint manufactured	**39,823**	**44,086**

Any delay or failure on the part of these manufacturers to deliver the products in a timely manner or to meet our quality standards or unilateral termination of relationship by them may cause a material adverse effect on our business.

9. ***Any downgrade of our Company's credit ratings would increase borrowing costs and constrain its access to capital and, as a result, would negatively affect its business operations and profitability.***

The cost and availability of capital is inter alia dependent on our Company's short-term and long-term credit ratings. Ratings reflect a rating agency's opinion of our Company's financial strength, operating performance, strategic position, and ability to meet our Company's obligations. Our Company holds ratings of BBB from CARE for its long term credit facilities and A3 for short term credit facilities from banks. The long term ratings have been modified from A to BBB+ in October 2014 and then to BBB in December 2015 and short term ratings have been modified from A1 to A3+ and then A3 in December 2015 due to loss of operations on account of fire at Howrah Plant. Any further downgrade of our Company's credit ratings may increase borrowing costs and constrain its access to capital and debt markets, and, as a result, would negatively affect our business operations and profitability. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. Any such adverse development could adversely affect our Company's future financial performance and results of operations.

10. ***We have not provided for certain contingent liabilities as on March 31, 2017, which if materialize could adversely affect our financial position.***

As on March 31, 2017, we have not provided for the following contingent liabilities:

(Rs. in Lakhs)

Particulars	March 31, 2017
Excise Duty	391.86
Bank Guarantee	882.06
Sales Tax *	772.97
Claims against our Company not acknowledged as debt (to the extent ascertained)	183.32
Income Tax	62.73
Total ➔	**2,292.94**

*(Excluding liability on account of C/F/other forms) the management is of the opinion that these forms will be collected in due course, and no significant liability is expected in this respect.

If any contingent liability materializes, our results of operations and financial condition may be adversely affected. For more details of our contingent liabilities for the fiscals ended March 31, 2017, 2016, 2015, 2014 and 2013, refer to the section titled "Financial Statements" on page 103 of this Draft Letter of Offer.

11. ***Certain of our promoter group entities have incurred losses during recent fiscal year.***

Some of our Promoter Group entities have incurred losses in the last fiscal year, details of which are given below:

(Rs. In Lakhs)

Name of the Company	March 31, 2016
Hexa Securities and Finance Company Limited	(707.21)
Sun Investments Private Limited	(6.43)
Mansarover Investments Limited	(51.75)
Abhinandan Investments Limited	(29.16)
Colarado Trading Company Limited	(432.40)

12. ***We have entered into a number of related party transactions. There can be no assurance that entering into such transaction with related parties will be the most beneficial option for our Company.***

We have entered into a number of related party transactions with our Subsidiaries, Promoter, Promoter Group entities, Directors / Key managerial Personnel. For further details on related party transactions, see the chapter titled "Financial Statements" on page 103 of the Draft Letter of Offer.

Our Company's policy on transactions with related parties is that such transactions are conducted on normal commercial terms in the ordinary and normal course of business. Our Company may enter into additional transactions with its related parties in the future. Although regulations in India do require disclosure of related party transactions in a listed company's financial statements, such regulations do not require shareholders' approval or an independent assessment of connected or related party transactions. As a result, there is no independent verification that the terms of such transactions or that any of our Company's transactions with its related parties will benefit our Company.

13. Our Promoters may have the ability to determine the outcome of any shareholder resolution.

Our Promoter Group is the largest shareholder of our Company holding 62.30% of the pre issue capital. Our promoters have given undertaking that the promoter group will subscribe in the rights issue at least to the extent of their entitlement. As a result, our promoter group will continue to be the largest shareholders, of post-issue equity capital of our company. As significant shareholders, our Promoters may have interests which may affect the interests of shareholders and /or our interests and may have the ability to determine the outcome of any shareholder resolution.

14. We do not have definitive agreements with a majority of our vendors for supply of our raw materials and retail products which may adversely affect our business and results of operations.

Our Company has not executed long term supply contracts with a majority of our suppliers and procures the raw materials and retail products on the basis of purchase orders. Though, we do not have long term contracts with vendors, our suppliers are all consistent and regular and have been pre-approved by the R&D team of our Company. As of March 31, 2017, we have engaged with approximately 400 vendors and suppliers for the supply of raw materials and third party retail products. In the absence of such definitive agreements, it may be difficult for us to exercise our rights or to enforce any obligations against such suppliers. If the existing vendors, temporarily or permanently, are unable to supply the required products as per our requirements or at all, it may adversely affect our business and results of operations.

15. Any disruptions in our logistics or supply chain network and other factors affecting the distribution of our products could adversely impact our operations, business and financial condition.

Our supply chain and logistics network is focused around our 54 sales depots and 4 regional distribution centers. Our depots act as storage facilities for onward delivery of our products to traders/consumers. Any material disruption at depots for any reason may damage our products stored at such warehouses and adversely affect our supply chain network and logistics operations, thereby affecting our results of operations. We engage third party transport service providers to deliver our products to our stores. Presently, we have arrangements and entered into definitive agreements with 34 such third party transport service providers for transporting our products to our depots and engage them as and when the need arises. Though, in the past, our business has not experienced any disruptions, any such disruption of our distribution and transport operations may have an adverse effect on the deliveries from our depots to our stores. Any disruption in our logistics or supply chain network could adversely affect our ability to deliver inventory in a timely manner, which could impair our ability to meet customer demand for products and result in lost sales, increased supply chain costs or damage to our reputation.

16. We may not be able to identify or effectively respond to consumer needs, expectations or trends in a timely manner, which could adversely affect our relationship with our customers, our reputation, the demand for our products, our market share and our prospects.

The success of our business depends in part on our ability to anticipate, identify and respond promptly to evolving trends in demographics and consumer preferences, expectations and needs, while also managing appropriate inventory levels and maintaining an excellent customer experience. The home improvement retailing environment is rapidly evolving, and aligning our business concept to respond to our customers' preference for paints and colors is critical to our future success. Our success is also dependent on our ability to identify and respond to the economic, social, and other trends that affect demographic and

consumer preferences in a variety of our paint categories. As we continue to grow our business by expanding our products, brand offerings and our geographic reach, maintaining quality and consistency may be more difficult and we cannot assure you that our customers' confidence in our brand will not diminish. Failure or any delay on our part to identify such trends, to align our business concept successfully and maintain quality could negatively affect our brand image, our relationship with our customers, the demand for home improvement products we sell, the rate of growth of our business, our market share and our prospects.

17. Our registered office premises, sales depots and Regional Distribution Centres are not owned by us but taken on lease/rent basis. The non renewal of lease or any deficiency in the title/ ownership rights/ development rights of the owners may impede the operation of our outlets.

We do not own the premises on which we have our registered office, sales depots and Regional Distribution Centers. We operate from leased/ rented premises. The lease agreements for facilities are renewable on mutual consent upon payment of such rates as stated in these agreements. If any of the owners of these premises do not renew the agreements under which we occupy the premises or renew such agreements on terms and conditions that are unfavorable to us, we may suffer a disruption in our operations which could have an adverse effect on our business, financial conditions and results of operations.

18. We may be subject to labour unrest, slowdowns, increased wage costs, and shut-downs.

India has labour legislations that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal, and legislations that imposes certain financial obligations on employers upon retrenchment. At present, our factories at Nasik and Sikanderabad do not have any labour union. However there are labour unions at Howrah plant. There is no assurance that our employees will not seek unionization in the future. In the event that employees at our plants or depots seek to unionise, it may become difficult for us to maintain flexible labour policies, and may increase our costs and adversely affect our business.

Further, our business operations, specifically our manufacturing facilities are subject to certain operating risks, such as breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply, performance below expected levels of efficiency, obsolescence, natural disasters, fire, industrial accidents and the need to comply with the directives of relevant government authorities. In the event that we are forced to shut down our manufacturing facility or our depots for a significant period of time, it would have a material adverse effect on our earnings, our other results of operations and our financial condition as a whole.

Any strikes or lock-outs, work stoppages, slowdowns, shut downs, supply interruptions or costs or other factors beyond our control, may disrupt our operations and could negatively impact our financial performance or financial condition.

19. We depend heavily on our Key Management Personnel, and loss of the services of one or more of our key executives or Key Management Personnel could weaken our management team.

Our success largely depends on the skills, experience and efforts of our Key Management Personnel and on the efforts, ability and experience of key members of our management staff. Our Key Management Personnel have extensive experience in manufacturing and marketing of paint industry that are critical to the operation of our business. For further details see "*Our Management*" on page 78. Individuals with industry-specific experience are scarce, and the market for such individuals is highly competitive. As a result, we may not be able to attract and retain qualified personnel to replace or succeed our Key Management Personnel or other key employees, should the need arise. The loss of services of one or more members of our Key Management Personnel or any of our other management staff could weaken our management expertise significantly and our ability to undertake our business operations efficiently. This could have a material adverse effect on our business, financial condition and results of operations.

20. The risk of non-payment or default by our customers may adversely affect our Company's financial condition and results of operations.

Our Company cannot be certain, and cannot assure you, that it will be able to maintain its recoveries in relation to its debtors in the future. Moreover, as our Company's business expands, it may experience increase in delay or defaults in payments by its debtors. Thus, if our Company is not able to managing its bad debts, the overall revenue realization will fall and its results of operations may be adversely affected.

21. Our inability or failure to maintain a balance between optimum inventory levels and our product offering at our depots may adversely affect our business, results of operations and financial condition.

Paint industry is highly working capital intensive. The larger number of depots require us to maintain higher inventory to cater to our customers at all time. We strive to keep optimum inventory at our factory and our depots to control our costs and working capital requirements. To maintain an optimal inventory, we monitor our inventory levels based on our projections of demand as well as on a real-time basis. However, unavailability of products, due to high demand or inaccurate forecast, may result in loss of sales and adversely affect our customer relationships. Conversely, an inaccurate forecast can also result in an over-supply of products, which may increase inventory costs, negatively impact cash flow, reduce the quality of inventory and ultimately lead to reduction in margins Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition. As on March 31, 2017, we have inventory level of Rs. 7360.58 Lakhs of finished goods.

22. Our insurance coverage may not adequately protect us against certain operating hazards and this may have an adverse effect on our business operations.

Our insurance coverage is likely to cover all normal risks associated with the operation of our business but there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time. To the extent that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected.

23. We face the risk of potential liabilities from lawsuits or claims by customers.

We face the risk of legal proceedings and claims being brought against us by our customers for any defective product sold or any deficiency in our services to them. We could face liabilities should our customers face any loss or damage due to unforeseen incident such as fire, accident, etc. in our exclusive brand outlets, which could cause financial and other damage to our customers.

24. Our Company requires a number of approvals, licenses, registrations and permits in the ordinary course of our business(es) and the failure to obtain or renew them in a timely manner may adversely affect its operations.

We require a number of approvals, licenses, registrations and permits for our business(s). Additionally, we may need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. There are certain registrations / permits / licenses that have been applied for / not been obtained by our Company for the existing plants/depots. For details, please refer to section titled "Government and Other Approvals" on page 206 of the Draft Letter of Offer. Furthermore, the government approvals and licenses are subject to various conditions. If we fail to comply, or a regulator claims that our Company has not complied with these conditions, our business, financial position and operations would be materially adversely affected.

25. ***Inability to obtain adequate financing to meet our Company's liquidity and capital resource requirements may have an adverse effect on the proposed expansion activities of our Company and business operations.***

Our Company may require funds for the financing of routine business activity which comprises our net working capital and bank financing. Our inability to obtain such financing could impair our business, results of operations, financial condition or prospects. Such inability could result from, among other things, our Company's current or prospective financial condition or results of operations or from its inability for any reason (including reasons applicable to Indian companies generally) to issue securities in the capital markets. There can be no assurance that finance from external sources such as bank finance will be available at the times required or in the amounts necessary, to meet our requirements.

26. ***We may be subject to restrictive covenants, including restriction on raising of further capital or to pay dividend, under term loans and working capital facilities provided to us by our lender(s).***

We have availed of several loans and financial facilities from various banks. In respect of various agreements entered into by our Company with our Lenders and sanction letters issued by our Lenders to us, we are bound by certain restrictive covenants regarding capital structure and other general restrictive covenants. The restrictive covenants as imposed by the lenders on our Company are as under:

"Our Company shall not with prior approval of the Bank in writing avail any loan (secured or unsecured) from any bank /financial institution / otherwise, undertake any guarantee obligation on behalf of any other borrower, grant loan to Promoters / associates and other companies, diversify / change the line of business, change the Ownership / Management / Capital structure, dilute shareholding of the Promoters, issue further capital either by equity or debt, distribute profits / pay dividend, formulate any scheme of re-structuring or amalgamation and withdrawal of money by the Promoters, Directors and their friends and relatives."

For details of the loans availed, please refer to section titled "Financial Indebtedness" on page 191 of this Draft Letter of Offer. In compliance with such restrictive covenants, we have applied to our consortium lenders including the leader, State Bank of India for their consent for the proposed rights issue which is awaited.

27. ***Any future equity offerings or issue of options under employee stock option scheme may lead to dilution of investor's shareholding in our company.***

Purchasers of Equity Shares in this Issue may experience dilution of their shareholding to the extent we make future equity offerings and to the extent we decide to grant options to be issued under an employee stock option scheme.

28. ***Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.***

Our company has not declared any dividend during the preceding five financial years. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to pay dividends.

29. ***We operate in a competitive market and any increase in competition may adversely affect our business and financial condition.***

We face competition from existing paint manufacturers, both organized and unorganized, including potential entrants to the industry that may adversely affect our competitive position and our profitability. A critical challenge in the paint industry is the competition from unorganized and small players. We expect competition could increase with new entrants coming into the industry and existing players consolidating their positions. Some of our competitors may have access to significantly greater resources.

The large players having higher industry share includes Asian Paints Limited, Berger Paints Limited, Kansai Nerolac Limited and Akzo Nobel Limited.

Further, some of our competitors may also approach the market using new business models, such as e-commerce based retailing, which may be preferred by certain of our customers. Also, introduction of new improved products or brand perception and our inability to match our offerings with such improved products change may in turn affect the perception and brand equity of our products. As a result of such competition, we may have to price our products at levels that reduce our margins, increase our capital expenditure in order to differentiate ourselves from other players and increase our advertising and distribution expenditures in order to compete with such competitors, which may materially and adversely affect our business, results of operations and financial condition.

30. Our Subsidiaries may not pay dividends on shares that we hold in them or may not contribute adequate revenue on a consolidated basis, year on year. Consequently, our Company may not receive any return on investments in our Subsidiaries.

Our Subsidiaries are separate and distinct legal entities, having no obligation to pay dividends and may be restricted from doing so by law or contract, including applicable laws, charter provisions and the terms of their respective financing arrangements. We cannot assure you that our Subsidiaries will generate sufficient profits and cash flows, or otherwise be able to pay dividends to us in the future. Further, our Subsidiaries may not contribute adequate revenue on a consolidated basis, year on year, owing to various internal and external factors, which may consequently affect our results of operations and financial condition.

31. Our revenues and expenses vary significantly from period to period, which could cause our share price to decline.

Our revenues and profit may vary significantly in the future. Therefore, we believe that period-to-period comparisons of our results of operations may not be necessarily meaningful and may not be relied upon as an indication of our future performance. It is possible that in the future some of our results of operations may be below the expectations of market analysts and our investors, which could cause the share price of our Equity Shares to decline significantly.

Some of the factors which may affect the fluctuation of our operating results include:

- the functioning of our plants;
- the ability to modify and enhance our suite of paint offerings based on customer needs and evolving technologies;
- changes in our pricing policies or those of our competitors;
- the effect of wage pressures, seasonal hiring patterns and the time required to train and productively utilize new employees;
- increase or decrease in cost of inputs

As per the restated audited standalone financial statements for the Fiscal 2017, 2016 and 2015, our Company has generated total income of Rs. 37032.07 lakhs, Rs. 40,367.81 lakhs and Rs. 43458.46 lakhs respectively and net profit (loss) after extra-ordinary items of Rs. (726.37) lakhs., Rs. 544.53 lakhs, and Rs. (1160.22) lakhs respectively

EXTERNAL RISK FACTORS

32. Any changes in the regulatory framework could adversely affect our operations and growth prospects.

We are / will be subject to various regulations and policies including manufacturing, Excise, Customs, Service Tax, Income Tax, Labour acts, etc. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws like GST, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that we will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

33. A slowdown in economic growth in the markets in which we operate could cause our business to suffer.

Our performance and growth are dependent on the health of the economy of the markets in which we operate. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in the economy of the markets in which we operate may adversely affect our business and financial performance and the price of our Equity Shares.

34. Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse affects on our operations and financial performance.

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

35. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our ability to raise additional financing, and the interest rates and other commercial terms. This could impact our profitability and ability to obtain financing for capital expenditures and the price of our Equity Shares.

36. Regional or International hostilities, terrorist attack or other acts of violence of war could have a significant adverse impact on international or Indian financial markets or economic conditions or on Government Policy. Such incidents could also create a greater perception that investment in Indian Companies involves a higher degree of risk and could have an adverse impact on our business and on the market price of our company's equity shares.

37. Investors will not receive the Equity shares subscribed and allotted in this issue until several days after they have paid for them, which will subject them to market risk.

The Equity Shares subscribed and allotted in this issue will not be credited to investor's demat account with depository participants until approximately 15 days from the Issue closing date. Investors can start trading only after receipt of listing and trading approvals in respect of these Equity Shares which will require additional time of up to seven working days after the allotment. Further, there can be no assurance that the equity Shares allocated will be credited to investor's demat account, or that the trading in the equity shares will commence, within the time periods specified above.

38. The market value of the Equity Shares may fluctuate due to the volatility of the securities markets.

The securities markets are volatile and stock exchanges have in the past, experienced substantial fluctuations in the prices of listed securities. The stock exchanges have experienced problems, which, if these were to continue or recur, could affect the market price and liquidity of the securities of Indian Companies, including the Equity Shares. The governing bodies of the various Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, time to time disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on the market sentiment.

39. Future issues of Equity Shares / convertible instruments of our company may significantly affect the trading price of the Equity Shares.

Future issues of Equity Shares / convertible instruments by our company or the disposal of Equity Shares by any of the major shareholders or the perception that such issues or sales may occur may significantly affect trading price of the Equity Shares. None of the shareholders are subject to any lock-in restricting their ability to dispose off their Equity Shares, and there can be no assurance that any shareholder will not dispose of, encumber, or pledge, his Equity Shares.

40. Investors may be subject to Indian taxes arising out of capital gains on the sale of our equity shares.

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax (**"STT"**) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which our equity shares are sold. Any gain realised on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of our equity shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of our equity shares. The above statements are based on the current tax laws. However, the Government has proposed the introduction of the DTC, which will revamp the implementation of direct taxes. If the same is passed in present form by both houses of Indian Parliament and approved by the President of India and then notified in the Gazette of India, the tax impact mentioned above will be altered by the DTC.

PROMINENT NOTES:

1. Issue of [●] equity shares of face value of ₹ 2 each ("equity shares") of Shalimar Paints Limited ("Shalimar" or the "Company" or the "Issuer") for cash at a price of ₹ [●] (including share premium of ₹ [●]) per equity share ("issue price") for an aggregate amount not exceeding ₹ 5,000 lakhs to the Eligible Equity Shareholders on rights basis in the ratio of [●] Equity Share for every [●] Equity Shares held by the Eligible Equity Shareholders on the Record Date, i.e. [●] (the "Issue"). The Issue Price is [●] times the face value of the equity shares. For further details, refer to "Offering Information" on page 236 of the Draft Letter of Offer.

2. The Net Worth of our Company and Book Value per Equity Share as per restated standalone and consolidated audited financial statements as on March 31, 2017 is as under:

Particulars	Consolidated	Standalone
Net worth (in ₹ lakhs)	5,650.87	5,667.99
Book Value per equity share (in ₹)	29.82	29.92

3. Our Promoters Mr.Ratan Jindal and M/s. Hind Strategic Investments have not acquired or sold any Equity Share of our Company within last one year preceding the date of the Draft Letter of Offer.

4. The summary of complaints received by our Company and resolved / pending during the financial year ended March 31, 2017 are as follows:

Particulars	Complaints Received	Complaints Resolved	Complaints Pending
April 01, 2016 till June 30, 2016	3	3	Nil
July 01, 2016 till September 30, 2016	1	1	Nil
October 01, 2016 till December 31, 2016	0	0	Nil
January 01, 2017 till March 31, 2017	2	2	Nil

5. Our Promoter Group, Directors and their relatives have not financed the purchase, by any other person, of the equity shares of our Company during the period of six months immediately preceding the date of filing of Draft Letter of Offer with the SEBI.

6. Trading in the Equity Shares of our Company for all investors shall be in dematerialized form only. For further details, see the chapter titled "Offering Information" on page 236 of the Draft Letter of Offer.

7. There has been no change in the name of our Company in the last twelve months.

8. Our Company and the Lead Manager will update the offer document in accordance with the Companies Act and the SEBI ICDR Regulations and our Company and the Lead Manager will keep the public informed of any material changes relating to our company till the listing of our shares on the Stock Exchange. No selective or additional information would be made available to a section of investors in any manner whatsoever.

9. Investors may contact the Lead Manager, the Registrar to the Issue or the Compliance Officer for any complaints, clarifications, etc. pertaining to the Issue.

SUMMARY OF INDUSTRY OVERVIEW

Indian Economy

The Indian economy is the fourth largest economy in the world by purchasing power parity with an estimated GDP of approximately USD 8.721trillion in 2016.*(**Source:**CIA World Factbook)*India's GDP will continue to expand at the fastest pace among major economies, with growth forecast at 7.6 % in 2016-17. India's economy has benefited from the large terms of trade gain triggered by lower commodity prices, and inflation has declined more than expected. Positive policy actions, structural reforms, including the introduction of an important tax reform and formalization of the inflation targeting framework and improved confidence are expected to support consumer demand and investment. Important policy actions toward the implementation of the goods and services tax have been taken, which will be positive for investment and growth. ***(Source:** International Monetary Fund - World Economic Outlook - October 2016).*

As per the latest estimates available on the Index of Industrial Production (IIP), the General Index for the month of February 2017 stands at 182.30, which is 1.2% lower as compared to the level in the month of February 2016. The cumulative growth during April-February 2016-17over the corresponding period of the previous year stands at 0.40%. The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of February 2017 stand at 140.6, 190.1 and 182.5 respectively, with the corresponding growth rates of 3.3%, (-) 2.0 % and 0.3 % as compared to February 2016. The cumulative growth in these three sectors during April-February 2016-17 over the corresponding period of 2015-16 has been 1.6 %, (-) 0.3 % and 4.6 % respectively. In terms of industries, fifteen (15) out of the twenty two (22) industry groups (as per 2- digit NIC-2004) in the manufacturing sector have shown negative growth during the month of February 2017 as compared to the corresponding month of the previous year.
*(**Source:** Website of Ministry of Statistics and Programme Implementation)*

The Foreign Direct Investment (FDI) was USD 45.15 Billion in FY 2014-15 and USD 55.56 Billion in FY 2015-16 and USD 60.08 Billion during April, 2016 to March, 2017 in FY 2016-17 as per provisional figures by RBI. The cumulative amount of FDI Inflows from April, 2000 to March, 2017 stood at USD 484.35 Billion.
*(**Source:** Website of Department of Industrial Policy and Promotion)*

Indian Paint Industry-An overview

The Paints & Allied Industry which has been exempted from compulsory licensing, mainly consists of paints, enamels, varnishes, pigments, printing inks, etc. These play a vital role in the economy by way of protecting national assets from corrosion. These items are manufactured both in the organized sector and small scale sector. The production of Paints of all kinds and Printing Ink during 2015-16 was 7,98,715.22 tonnes and 2,29,693.88 tonnes respectively. During the April, 2016 to October, 2016, the production of these products has been 500,720.34 tonnes and 1,41,532.50 tonnes respectively.
*(**Source:** Department of Industrial Policy and Promotion, www.dipp.nic.in -Annual Report 2016-17)*

The Indian paint industry has been growing constantly over the last decade. Growth has been consistent with the GDP growth rate and in some years even higher. Over the past few years, the Indian paint market has substantially grown and caught the attention of many international players. The country continues to enjoy a healthy growth rate compared to other economies, backed by the increasing level of disposable income, and demand from infrastructure, industrial and automotive sectors. Indian paints industry by value and volume, is expected to grow at a CAGR (Compounded Annual Growth Rate) of around 12% during 2016-17 to 2021-22 in value terms.

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

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

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

The paint sector in India is facing certain challenges. Factors like rising input prices and stringent environmental regulations pose a barrier for growth. The paint sector is raw material intensive, with over 300 raw-materials (50% petro-based derivatives) involved in the manufacturing process. Since most of the raw materials are petroleum based, the industry is sensitive to crude oil prices. Another concern is that the demand for paint, being a discretionary expenditure, is typically hurt during periods of inflation.

SUMMARY OF OUR BUSINESS

We are engaged in the business of manufacturing and marketing of paints. The paint industry is classified in two broad categories - Decorative and Industrial. For our company, the Decorative segment consists of 66% of total turnover while industrial segment contributes 34% for the financial year ending March 31, 2017.We believe in continuous product innovations for sustainable future by introducing new generation products including eco-friendly products and practices.

We have the wide range of products in Decorative & Industrial sectors as mentioned below

- **Decorative Paints** – Decorative paints are generally used for painting of domestic, office and other buildings mainly for enhancement of aesthetic look & protection. Our Company manufactures and markets wide range of decorative paints for interior and exterior surfaces – concrete, plaster, metal or wood etc. We have created established brand like Weather Pro, Xtra Tough premier, Shaktiman exterior emulsion specially designed for exterior surfaces. We have wide range of interior emulsions brand like Signature luxury emulsion, Stay Clean interior emulsion, Superlac Advance, No 1 Silk and Master interior emulsion & NO.1 Distemper. Shalimar enjoys established brand in solvent based product range like Superlac Hi–Gloss synthetic enamel, Superlac satin enamel, lustre finish. Our Company's range of water based paints come with no added lead or mercury and with near zero VOC.

- **Industrial Paints** – Shalimar manufactures and markets industrial coatings to cater Protective coating sector, Product Finish (OEM,GENERAL INDUSTRIAL SECTOR), Range of marine paints including antifouling paints Packaging coatings for metal decoration including food can lacquers are established products running successfully in different coating lines for years. Industrial paints can again be classified into Heavy duty protective Coating, GI coating, Packaging Coating and Marine coatings and primarily used for protect the structure from deterioration through corrosion and then beautification. Shalimar is actively involved in providing solution through their expert team to mitigate corrosion by recommending the appropriate coating systems.

Manufacturing facilities & Supply Chain: We have at present running manufacturing facilities at Sikandrabad (UP). We are in the process of re-commissioning Greenfield manufacturing facility at Gummidipoondi Tamil Nadu. This new Greenfield facility is expected to be ramped up in second half of 2017-18.

Our Company has two other manufacturing facilities at Nasik and Howrah. There was a fire incident in the Howrah Plant on 12th March, 2014 and the plant is under suspension since then. We plan to resume operations of resin, aluminum and packaging units, which were not affected by fire, at Howrah Plant in the current financial year for which we are in the process of obtaining approvals from respective authorities. The Nasik Plant caught fire on 19th November, 2016 and the paint plant is not in operation since then. Before the fire broke out, the average production at the Nasik Plant was around 1400KL per month. However, we have restarted part of the Nasik plant which was not affected by fire i.e. Resin, Aluminum and Packaging Unit in April 2017 having production of around 150 KL per month. The Howrah plant was badly damaged in the fire and its operations are not likely to start soon. Though we have taken sufficient insurance cover against fire, the claim amount is yet to be settled by the insurance companies.

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We have robust distribution network with 8000+ dealers / distributors, 54 sales depots and 4 regional distribution centers ("RDC") across all four zones in India. We also exports its products to Middle East countries, Nepal, Bhutan and Afghanistan. In India, mostly the products manufactured in plants are first moved to RDC's for onward movement to sales depots and sales depots service the needs of vast network of dealers and customers. We also sell products directly to the customers, mainly in the industrial segment.

Key Clients and Projects Executed:

In Decorative paint segment – Our paint products have been used in painting of various prestigious buildings like AIIMS, Townships of major institutions like NTPC etc, various private residential and commercial buildings, religious institutions, educational institutions, Airports, Railway stations, Sugar Mills and many more.

In Industrial paint segment - Major customers include NTPC, JSW Energy Ltd, Jindal Saw, Jindal Steel and Power, Jindal Stainless Steel, Tata Projects, Essar Projects, FL Smith etc, Hindustan Tin Works, Tata Mettaliks, Tata Iron and Steels.

MANUFACTURING FACILITIES

- **Howrah Plant**
  Located at P.O. Danesh Shaikh Lane, Howrah, West Bengal. Howrah Plant is the Oldest Plant of our Company and it was first Commissioned in 1902. It was acquired by the current promoters in 1989. There was a fire incident in the Howrah Plant on 12th March, 2014 and the operations has been suspended since then. Our Company plans to restart Resin, Aluminum and packaging units at Howrah Plant in the current financial year which were not affected by fire. We are in the process of obtaining approvals from respective authorities.

- **Nasik Plant**
  Located at Village – Gonde Dumala, Tehsil: Igatpuri, Nasik. Plant came into operation in 1992 and has capacity of 23,400 KLPA. At this unit, the sales proportion of our Company generally comprised of 40% decorative and 60% of Industrial paints. The Plant caught Fire on 19th November, 2016 and the paint plant is not in operation since then. Before the fire broke out the average production at the Unit was around 1400 KL/ month. In order to maintain its market share and retain the customers, our Company is outsourcing some of its products from third party manufacturers. All the quality control standards are adhered to the outsourcing unit by our Company. Our Company has restarted Resin, Aluminum and packaging unit at Nasik in April 2017 which is not affected by fire which is around 150 KL per month.

- **Sikandrabad Plant**
  Acquired in 2002. This plant is located at No.A-1 and A-2 Sikandrabad Industrial Area, Bulandshehar, Uttar Pradesh. It has an installed capacity of 21,600 KLPA, which is running at 90% utilization.

- **Gummidipoondi Tamil Nadu Plant**
  Located at Chinnapuliyar Village, Thiruvallur, and Chennai, is a Greenfield Project of our Company. The plant was decommissioned in April 2015 due to technical reasons. The re-commissioning of the plant is at advanced stage and the ramp up of the operations are likely to start in the second half of FY 2017-18. The capacity of the plant is 18,000 KLPA.

  Subsequent to the fire at our Nasik Plant, in order to maintain our market share, and retain the customers, we are outsourcing some of the products. In the Financial year 2016-17 we outsourced/got job work done for products aggregating to 10,664 kilo litres as against 9,009 kilo litres in FY 2015-16. Going forward once the production at Greenfield Gummidipoondi Tamil Nadu Plant commences, we shall produce most of the products in house and thereby maximize the profitability. Though we may continue outsourcing of some of the products in order to further capitalize on brand and increase market share with better overall profitability.

As per the restated audited standalone financial statements for the Fiscal 2017, 2016 and 2015, our Company has generated total income of Rs. 37032.07 lakhs. Rs. 40,367.81 lakhs and Rs. 43458.46 lakhs respectively and net profit (loss) after extra-ordinary items and tax of Rs. (726.37) lakhs, Rs. 544.53 lakhs, and Rs. (1160.22) lakhs respectively.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our audited financial statements as on and for financial year ended March 31, 2017 prepared in accordance with Indian GAAP and the Companies Act and should be read in conjunction with the financial statements and the notes (including the significant accounting principles) thereto included in the chapter "Financial Statements" on page 103 of the Draft Letter of Offer.

Restated Standalone Summary Statement of Assets and Liabilities for five financial years

(Rs in Lakhs)

Particulars	Note No.	As at March 31st, 2017	2016	2015	2014	2013
EQUITY AND LIABILITIES						
1 Shareholders' fund						
(a) Share Capital	2.1	378.93	378.93	378.57	378.57	378.57
(b) Reserves and Surplus	2.2	5,289.06	6,014.34	5,551.25	6,710.81	6,796.09
		5,667.99	**6,393.27**	**5,929.82**	**7,089.38**	**7,174.66**
2 Non-Current Liabilities						
(a) Long-Term Borrowings	2.3	2,367.07	3,356.71	1,842.69	1,344.68	705.30
(b) Deferred Tax Liabilities (Net)	2.4	-	-	-	199.57	236.75
(c) Other Long Term Liabilities	2.5	27.60	30.38	28.20	33.70	54.29
(d) Long- Term Provisions	2.6	797.92	771.64	747.30	778.31	697.22
		3,192.59	**4,158.73**	**2,618.19**	**2,356.26**	**1,693.56**
3 Current Liabilities						
(a) Short Term Borrowings	2.7	10,768.51	9,402.18	10,985.00	9,649.70	8,104.63
(b) Trade Payables	2.8					
- Due to Micro and Small Enterprises		-	-	-	-	-
- Due to Others		16,022.09	15,624.73	15,639.33	16,012.10	16,260.71
(c) Other Current Liabilities	2.9	2,919.11	3,227.72	2,658.63	2,716.81	2,812.12
(d) Short Term Provision	2.10	5.85	4.89	6.07	10.43	168.91
		29,715.56	**28,259.52**	**29,289.03**	**28,389.04**	**27,346.37**
Total		**38,576.14**	**38,811.52**	**37,837.04**	**37,834.68**	**36,214.59**
ASSETS						
1 Non Current Assets						
(a) Fixed Assets						
(i) Tangible Assets	2.11	5,677.40	6,206.41	6,485.45	2,575.93	2,706.05
(ii) Intangible Assets	2.11	185.38	257.18	287.95	168.60	98.71
(iii) Capital Work -In -progress	2.11	1,373.98	553.15	76.60	1,763.60	787.54
(b) Non current Investment	2.12	64.73	84.73	84.73	84.73	80.73
(c)Long - Term loans and advances	2.13	1,612.49	1,233.47	1,218.79	1,112.65	1,100.98
(d) Deferred Tax Assets (Net)	2.4	712.15	308.12	167.65	-	-
		9,626.13	**8,643.06**	**8,321.17**	**5,705.51**	**4,774.01**
2 Current Assets						
(a) Current Investment	2.14	285.47	-	-	-	-
(b) Inventories	2.15	9,255.34	11,092.13	10,597.90	12,135.26	13,196.54
(c) Trade receivable	2.16	12,469.95	14,364.19	15,362.14	16,065.13	15,374.62
(d) Cash and Cash equivalents	2.17	1,194.99	896.15	93.33	446.29	1,515.84
(e) Short term loans and advances	2.18	650.96	553.71	412.32	403.86	221.18
(f) Other current assets	2.19	5,093.30	3,262.28	3,050.18	3,078.63	1,132.40
		28,950.01	**30,168.46**	**29,515.87**	**32,129.17**	**31,440.58**
Total		**38,576.14**	**38,811.52**	**37,837.04**	**37,834.68**	**36,214.59**

Restated Standalone Summary Statement of Profit and Loss for five financial years

(Rs in Lakhs)

	Particulars	Note No.	For the year ended 2017	2016	2015	2014	2013
I.	**Revenue from Operations**	2.20	41,360.08	45,262.26	48,324.82	53,958.89	56,300.37
	Less : Excise Duty		4,433.06	4,968.93	4,997.90	5,677.00	6,133.52
			36,927.02	**40,293.33**	**43,326.92**	**48,281.89**	**50,166.85**
II.	**Other Income**	2.21	105.05	74.48	131.54	648.21	49.07
III.	**Total Revenue (I + II)**		**37,032.07**	**40,367.81**	**43,458.46**	**48,930.10**	**50,215.92**
	Expenses :						
	Cost of materials consumed	2.22	19,056.67	23,541.61	26,783.53	31,591.30	34,283.27
	Purchases of Stock-in-trade	2.23	4,204.23	3,222.61	3,170.77	3,624.06	2,366.99
	Changes in inventories of finished goods, work-in-progress and Stock-in-trade	2.24	1,098.58	(481.80)	758.03	(45.81)	(1,248.80)
	Employee benefits expense	2.25	3,478.52	3,464.98	3,669.79	3,821.42	2,871.42
	Finance Costs	2.26	2,257.13	2,215.13	2,065.18	2,097.48	1,657.62
	Depreciation and amortization expense	2.11	421.97	504.01	475.76	378.03	437.88
	Other expense	2.27	7,645.37	7,497.21	8,062.84	7,696.20	7,988.31
IV.	**Total Expenses**		**38,162.47**	**39,963.75**	**44,985.90**	**49,162.68**	**48,356.69**
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**		**(1,130.40)**	**404.06**	**(1,527.44)**	**(232.58)**	**1,859.23**
VI.	Exceptional Items	2.51	-	-	-	-	211.78
VII.	**Profit before extraordinary items and tax (V-VI)**		**(1,130.40)**	**404.06**	**(1,527.44)**	**(232.58)**	**1,647.45**
VIII.	Extraordinary items		-	-	-	-	-
IX.	**Profit before tax (VII - VIII)**		**(1,130.40)**	**404.06**	**(1,527.44)**	**(232.58)**	**1,647.45**
X.	**Tax expense:**						
	(1) Current Tax		-	-	-	-	489.38
	(2) Deferred Tax (Assets)/liabilities		(404.03)	(140.47)	(367.22)	(37.18)	1.46
	Total Tax expenses		**(404.03)**	**(140.47)**	**(367.22)**	**(37.18)**	**490.84**
XI.	**Profit/(Loss) for the Year (IX - X)**		**(726.37)**	**544.53**	**(1,160.22)**	**(195.40)**	**1,156.61**

Restated Standalone Summary Statement of Cash Flows for five financial years

(Rs in Lakhs)

	Particulars	For The Year Ended March 31st, 2017	2016	2015	2014	2013
A.	**CASH FLOW FROM OPERATING ACTIVITY**					
	Net Profit before Tax and Extraordinary items	(1,130.40)	404.06	(1,527.44)	(232.58)	1,859.23
	Adjusted for :					
	Depreciation	421.97	504.01	475.76	378.03	437.88
	Interest Income	(28.22)	(7.81)	(2.74)	(4.93)	(2.93)
	Bad debts	-	20.76	15.34	237.59	33.83
	Interest Expenses	2,257.13	2,215.13	2,065.18	2,097.48	1,657.62
	Loss / (Profit) on sale of Fixed Assets	39.55	(4.03)	(127.06)	(575.21)	2.38
	Loss / (Profit) on sale of Investments	(18.66)	-	-	-	-
	Exceptional items					(211.78)
	Operating Profit before Working Capital Changes	**1,541.37**	**3,132.12**	**899.04**	**1,900.38**	**3,776.23**
	Adjusted for:					
	Trade and Other Receivables	(407.57)	615.11	615.16	(2,781.51)	(3,073.67)
	Inventories	1,836.79	(494.23)	1,537.36	1,061.28	(2,615.35)
	Trade Payables & Other Liabilities	44.82	(325.27)	(642.16)	(179.05)	4,025.06
	Direct Taxes paid (net of refund)	(5.49)	(6.11)	(13.66)	(439.10)	(689.34)
	Cash Generated from Operating Activities	**3,009.92**	**2,921.62**	**2,395.74**	**(438.00)**	**1,422.93**
B	**CASH FLOW FROM INVESTING ACTIVITIES**					
	Purchase of Fixed Assets	(1,000.16)	(674.35)	(2,777.69)	(1,449.38)	(1,064.06)
	Sale of Fixed Assets	318.63	7.63	87.12	730.73	7.62
	Purchase of Non Current Investment	(914.53)	-	-	(4.00)	(1.01)
	Sale of Non Current Investments	953.19	-	-	-	-
	Net Purchase of Current Investments	(285.47)	-	-	-	-
	Interest /Other Income Received	28.22	7.81	2.74	4.93	2.93
	Net Cash used in Investing Activity	**(900.12)**	**(658.91)**	**(2,687.83)**	**(717.72)**	**(1,054.52)**
C	**CASH FLOW FROM FINANCIAL ACTIVITIES**					
	Net Proceeds from Long Term Borrowings	(940.50)	2,307.80	649.52	638.58	695.65
	Net Proceeds from Short Term Borrowings	1,366.33	(1,582.82)	1,335.30	1,545.07	1,223.80
	Proceeds from Issue of Share Capital	-	12.20	0.00	(0.00)	(0.00)
	Dividend Paid					(439.97)
	Interest Paid	(2,236.79)	(2,197.07)	(2,045.69)	(2,097.48)	(1,657.62)
	Net Cash used in Financing Activities	**(1,810.96)**	**(1,459.89)**	**(60.87)**	**86.17**	**(178.14)**
	Net Increase in Cash and Cash Equivalents (A+B+C)	**298.84**	**802.82**	**(352.96)**	**(1,069.55)**	**190.27**
	Opening Balance of Cash and Cash Equivalents	896.15	93.33	446.29	1,515.84	1,325.57
	Closing Balance of Cash and Cash Equivalents	**1,194.99**	**896.15**	**93.33**	**446.29**	**1,515.84**

Restated Consolidated Summary Statement of Assets and Liabilities for five financial years

(Rs in Lakhs)

Particulars	Note No.	As at March 31st,				
		2017	2016	2015	2014	2013
1. EQUITY AND LIABILITIES						
Shareholders' fund						
(a) Share Capital	2.1	378.93	378.93	378.57	378.57	378.57
(b) Reserves and Surplus	2.2	5,271.94	6,012.12	5,551.26	6,710.81	6,796.09
		5,650.87	**6,391.05**	**5,929.83**	**7,089.38**	**7,174.66**
2. Non-Current Liabilities						
(a) Long-Term Borrowings	2.3	2,367.07	3,356.71	1,842.69	1,344.68	705.30
(b) Deferred Tax Liabilities (Net)	2.4	-	-	-	199.57	236.75
(c) Other Long Term Liabilities	2.5	27.60	30.38	28.20	33.70	54.29
(d) Long- Term Provisions	2.6	797.92	771.64	747.30	778.31	697.22
		3,192.59	**4,158.73**	**2,618.19**	**2,356.26**	**1,693.56**
3. Current Liabilities						
(a) Short Term Borrowings	2.7	10,768.51	9,402.18	10,985.00	9,649.70	8,104.63
(b) Trade Payables	2.8					
- Due to Micro and Small Enterprises		-	-	-	-	-
- Due to Others		16,024.30	15,624.73	15,639.35	16,012.32	16,260.71
(c) Other Current Liabilities	2.9	2,928.99	3,270.58	2,659.84	2,713.46	2,812.45
(d) Short Term Provision	2.10	5.85	4.89	6.07	10.43	168.91
		29,727.65	**28,302.38**	**29,290.26**	**28,385.91**	**27,346.70**
Total Equity and Liabilities		**38,571.11**	**38,852.16**	**37,838.28**	**37,831.55**	**36,214.92**
ASSETS						
1. Non Current Assets						
(a) Fixed Assets						
(i) Tangible Assets	2.11	6,392.95	6,923.18	7,038.66	3,129.15	3,259.27
(ii) Intangible Assets	2.11	185.36	257.18	287.95	168.60	98.71
(iii) Capital Work -In -progress	2.11	1,373.98	553.15	76.61	1,763.60	787.54
(b) Non-current Investment	2.12	0.23	20.23	20.23	20.23	20.23
(c)Long - Term loans and advances	2.13	939.66	612.26	719.64	613.49	602.82
(d)Other non-current assets	2.14	2.09	1.04	6.14	5.79	5.26
(e) Deferred Tax Assets (Net)	2.4	718.98	309.10	167.65	-	-
		9,613.25	**8,676.14**	**8,316.88**	**5,700.86**	**4,773.83**
2. Current Assets						
(a) Current Investment	2.15	285.47	-	-	-	-
(b) Inventories	2.16	9,255.34	11,092.13	10,597.90	12,135.26	13,196.54
(c) Trade receivable	2.17	12,469.95	14,364.19	15,362.14	16,065.13	15,374.62
(d) Cash and Cash equivalents	2.18	1,201.80	902.70	97.83	446.81	1,516.35
(e) Short term loans and advances	2.19	650.97	553.69	412.32	403.86	221.18
(f) Other current assets	2.20	5,094.33	3,263.31	3,051.21	3,079.63	1,132.40
		28,957.86	**30,176.02**	**29,521.40**	**32,130.69**	**31,441.09**
Total Assets		**38,571.11**	**38,852.16**	**37,838.28**	**37,831.55**	**36,214.92**

Restated Consolidated Summary Statement of Profit and Loss for five financial years

(Rs in Lakhs)

	Particulars	Note No.	For The Year Ended March 31st,				
			2017	2016	2015	2014	2013
I.	Revenue from Operations	2.21	41,360.08	45,262.26	48,324.82	53,958.89	56,300.37
	Less : Excise Duty		4,433.07	4,968.93	4,997.90	5,677.00	6,133.52
			36,927.01	**40,293.33**	**43,326.92**	**48,281.89**	**50,166.85**
II.	Other Income	2.22	87.28	74.48	131.54	648.21	49.07
III.	**Total Revenue (I + II)**		**37,014.29**	**40,367.81**	**43,458.46**	**48,930.10**	**50,215.92**
	Expenses :						
	Cost of materials consumed	2.23	19,056.67	23,541.61	26,783.53	31,591.30	34,283.27
	Purchases of Stock-in-trade	2.24	4,204.23	3,222.61	3,170.77	3,624.06	2,366.99
	Changes in inventories of finished goods, work-in-						
	progress and Stock-in-trade	2.25	1,098.58	(481.80)	758.03	(45.81)	(1,248.80)
	Employee benefits expense	2.26	3,478.52	3,464.98	3,669.79	3,821.42	2,871.42
	Finance Costs	2.27	2,257.13	2,215.13	2,065.18	2,097.48	1,657.62
	Depreciation and amortization expense	2.11	424.58	504.34	475.76	378.03	437.88
	Other expense	2.28	7,645.73	7,500.08	8,062.84	7,696.20	7,988.31
IV.	**Total Expenses**		**38,165.44**	**39,966.95**	**44,985.90**	**49,162.68**	**48,356.69**
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**		(1,151.15)	400.86	(1,527.44)	(232.58)	1,859.23
VI.	Exceptional Items	2.57	-	-	-	-	211.78
VII.	**Profit before extraordinary items and tax (V-VI)**		**(1,151.15)**	**400.86**	**(1,527.44)**	**(232.58)**	**1,647.45**
VIII.	Extraordinary items		-	-	-	-	-
IX.	**Profit before tax (VII - VIII)**		**(1,151.15)**	**400.86**	**(1,527.44)**	**(232.58)**	**1,647.45**
X.	Tax expense:						
	(1) Current Tax		-	-	-	-	489.38
	(2) Deferred Tax (Assets)/liabilities		(409.88)	(141.45)	(367.22)	(37.18)	1.46
	Total Tax expenses		**(409.88)**	**(141.45)**	**(367.22)**	**(37.18)**	**490.84**
XI.	**Profit/(Loss) for the Year (IX - X)**		**(741.27)**	**542.31**	**(1,160.22)**	**(195.40)**	**1,156.61**

Restated Consolidated Summary Statement of Cash Flows for five financial years

(Rs in Lakhs)

	Particulars	For The Year Ended March 31,				
		2017	2016	2015	2014	2013
A.	**CASH FLOW FROM OPERATING ACTIVITY**					
	Net Profit before Tax and Extraordinary items	**(1,151.15)**	**400.86**	**(1,527.44)**	**(232.58)**	**1,859.23**
	Adjusted for :					
	Depreciation	424.58	504.34	475.76	378.03	437.88
	Interest/Other Income	(10.45)	(7.81)	(2.74)	(4.93)	(2.93)
	Bad debts	-	20.76	15.34	237.59	33.83
	Interest Expenses	2,257.13	2,215.13	2,065.18	2,097.48	1,657.62
	Transfer from Revaluation Reserve	-	-	-	(1.09)	(4.50)
	Loss / (Profit) on sale of Fixed Assets	39.55	(4.03)	(127.06)	(575.21)	2.38
	Loss / (Profit) on sale of Investments	(18.66)	-	-	-	-
	Exceptional items					(211.78)
	Operating Profit before Working Capital Changes	**1,541.00**	**3,129.25**	**899.04**	**1,899.29**	**3,771.73**
	Adjusted for:					
	Trade and Other Receivables	(357.02)	742.31	614.77	(2,782.04)	(3,069.80)
	Inventories	1,836.79	(494.23)	1,537.36	1,061.28	(2,615.35)
	Trade Payables & Other Liabilities	14.05	(283.68)	(637.80)	(182.51)	3,585.10
	Direct Taxes paid (net of refund)	(5.49)	(6.11)	(13.66)	(439.10)	(689.34)
	Cash Generated from Operating Activities	**3,029.33**	**3,087.54**	**2,399.71**	**(443.08)**	**982.34**
B	**CASH FLOW FROM INVESTING ACTIVITIES**					
	Purchase of Fixed Assets	(1,001.55)	(838.21)	(2,830.56)	(1,366.56)	(1,064.06)
	Sale of Fixed Assets	318.63	7.63	140.00	649.00	7.62
	Purchase of Non Current Investment	(914.53)	-	-	-	-
	Sale of Non Current Investments	953.19	-	-	-	-
	Net Purchase of Current Investments	(285.47)	-	-	-	-
	Interest /Other Income Received	10.45	7.81	2.74	4.93	2.93
	Net Cash used in Investing Activity	**(919.28)**	**(822.77)**	**(2,687.82)**	**(712.63)**	**(1,053.51)**
C	**CASH FLOW FROM FINANCIAL ACTIVITIES**					
	Net Proceeds from Long Term Borrowings	(940.50)	2,307.80	649.52	638.58	695.65
	Net Proceeds from Short Term Borrowings	1,366.33	(1,582.82)	1,335.30	1,545.07	1,223.80
	Proceeds from Issue of Share Capital	-	12.20	0.00	(0.00)	(0.00)
	Interest Paid	(2,236.78)	(2,197.08)	(2,045.69)	(2,097.48)	(1,657.62)
	Dividend Paid	-	-	-	-	-
	Net Cash used in Financing Activities	**(1,810.95)**	**(1,459.90)**	**(60.87)**	**86.17**	**261.83**
	Net Increase in Cash and Cash Equivalents (A+B+C)	**299.10**	**804.87**	**(348.98)**	**(1,069.54)**	**190.66**
	Opening Balance of Cash and Cash Equivalents	902.70	97.83	446.81	1,516.35	1,325.69
	Closing Balance of Cash and Cash Equivalents	**1,201.80**	**902.70**	**97.83**	**446.81**	**1,516.35**

THE ISSUE

The details of this Issue are set out below:

Equity Shares proposed to be issued by our Company	[●] Equity Shares
Rights Entitlement	[●] Equity Share for every [●] Equity Shares held on the Record Date
Record Date	[●]
Issue Price per Equity Share	₹[●]. The Issue Price has been arrived at in consultation between the Issuer and the Lead Manager
Issue Size	₹ 5,000 Lakhs
Equity Shares outstanding prior to the Issue (Paid up Equity Share Capital)	[●] Equity Shares of ₹ 2/- each
Equity Shares outstanding after the Issue, assuming full subscription (Paid up Equity Share Capital)	[●] Equity Shares of ₹ 2/- each
Objects of the Issue	Please refer to section "Objects of the Issue" on page 47 of the Draft Letter of Offer

For more information on the payment terms, refer to the Chapter titled "Offering Information" on page 236 of the Draft Letter of Offer.

GENERAL INFORMATION

Pursuant to a resolution passed under Section 62(1)(a) of the Companies Act, 2013 by our Board in its meeting held on April 07, 2017, it has been decided to make the following Offer to the Eligible Equity Shareholders, with a right to renounce:

ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ("EQUITY SHARES") OF SHALIMAR PAINTS LIMITED ("SHALIMAR" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] (INCLUDING SHARE PREMIUM OF ₹ [●]) PER EQUITY SHARE ("ISSUE PRICE") FOR AN AGGREGATE AMOUNT NOT EXCEEDING ₹ 5,000 LAKHS TO THE ELIGIBLE EQUITY SHAREHOLDERS ON RIGHTS BASIS IN THE RATIO OF [●] EQUITY SHARE FOR EVERY [●] EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. [●] (THE "ISSUE"). THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES.

FOR FURTHER DETAILS, PLEASE REFER TO "OFFERING INFORMATION" ON PAGE 236 OF THE DRAFT LETTER OFFER

Registered & Corporate Office
Stainless Centre, 4th Floor, Plot No. 50, Sector 32, Gurugram ,Haryana -122 001

Corporate Identity Number: L24222HR1902PLC065611

Address of the Registrar of Companies
4th Floor, IFCI Tower,
61, Nehru Place,
New Delhi - 110019
Tel. No.: +91 11 26235707, 26235708, 26235709
Fax No.: +91 11 26235702
E-mail: roc.delhi@mca.gov.in
Website: www.mca.gov.in

Board of Directors of our Company

Sr. No.	Name & Designation	Age (in years)	DIN	Status
1.	Mr. Gautam Kanjilal	68	03034033	Independent Director
2.	Mr. Surender Kumar	52	00510137	Executive Director
3.	Ms. Pushpa Chowdhary	45	06877982	Non- Executive Director
4.	Mr. Alok Perti	65	00475747	Independent Director

For details of our Directors, refer to section titled "Our Management" on page 78 of the Draft Letter of Offer.

Company Secretary & Compliance Officer
Mr. Nitin Gupta
Shalimar Paints Limited
Stainless Centre, 4th Floor,
Plot No. 50, Sector 32,
Gurugram, Haryana -122003
Tel. No.: + 91 124 4616600
Fax No.: + 91 124 4616659
Note: All grievances relating to the Issue may be addressed to the Registrar to the Issue or the SCSB in case of ASBA Applicants giving full details such as folio no. / demat account no. / name and address, contact telephone /

cell numbers, email id of the first applicant, number of Equity Shares applied for, CAF serial number, amount paid on application and the name of the bank / SCSB and the branch where the CAF, or the plain paper Application, as the case may be, was deposited, alongwith a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

Lead Manager to the Issue
SPA Capital Advisors Limited
SEBI Regn. No.: INM 000010825
25, C – Block, Community Centre
Janak Puri, New Delhi - 110 058
Tel. No.: +91 11 2551 7371, 4567 5500
Fax No.: +91 11 2553 2644
E-mail: Investor Grievance: grievances.mb@spagroupindia.com
Website: www.spacapital.com
Contact Person: Anchal Lohia

MCS Share Transfer Agents Limited
SEBI Regn. No.: INR000004108
F-65, 1st Floor, Okhla Industrial Area,
Phase I, New Delhi – 110 020
Tel.: +91 011 41406149
Fax: +91 011 41709881
E-mail: s.biswas@mcsregistrars.com / ajaysingh@mcsregistrars.com
Investor Grievance e-mail id: helpdeskdelhi@mcsregistrars.com
Website: www.mcsregistrars.com
Contact Person: Mr. Ajay Singh

Legal Advisor to the Issue
JurisPrudent Consulting Partners
1st Floor, Paramount Tower,
C-17 Community Centre, Janakpuri,
New Delhi – 110 058
Tel.:+91 11 45360077
E-mail: ajay@jurisprudentconsulting.in
Contact Person: Mr. Ajay Jain

Banker to the Issue & Refund Banker
[●]

Self Certified Syndicate Banks
The list of banks that have been notified by SEBI to act as SCSB for the ASBA process is provided on SEBI website at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries.

Banker to our Company
State Bank of India
Industrial Finance Branch, Andheri 102,
Natraj, 194, Sir M.V.Road,
W. E. Highway- Metro Junction,
Andheri (E), Mumbai-400 069
Tel.: +91 11 26819700, 26823370 , 26821310
Fax: +91 11 26831648, 26833001
E-mail: sbi.04732@sbi.co.in

Punjab National Bank
Brabourne Road Branch
18A, Brabourne Road
Kolkata - 700 001
Tel.: +91 033 22343783
Fax: +91 033 22343783
E-mail: bo0100@pnb.co.in

Corporation bank
Canning Street Branch,
Rampuria Market, 2nd Floor,
88, BRB Basu Marg, Kolkata-700 001
Tel.: +91 033 22367316
Fax: +91 033 22127314
E-mail: cb0151@corpbank.co.in

HDFC Bank Limited
A C Market Building, 3rd floor,
1, Shakespeare Sarani, Kolkata- 700 071
Tel.: +91 11 30261876
Fax: +91 120 4894200
E-mail: Rahul.Mittal3@hdfcbank.com

Induslnd Bank Limited
Indusind Bank Ltd, 11th floor, Tower I,
One Indiabulls Centre, 841, Senapati Bapat Marg,
Elphinstone Road, Mumbai 400 013
Tel.: +91 022 71431999, 71432266
Fax: +91 020 26343241
E-mail: rashi.arora@indusind.com

Auditors of our Company
Chaturvedi & Partners, Chartered Accountants
Room No. 4, 1/1, Meredith Street,
Kolkata – 700 072
Tel.: +91 33 22373534, 40062065
E-mail: dubey_anup@yahoo.com
Contact Person: Anup Kumar Dubey
Firm Registration No.: 307068E

Credit Rating
This being a right issue of equity shares, no credit rating is required.

Trustees
This being a Rights Issue of Equity Shares, appointment of Trustees is not required.

Appraising Agency
The issue has not been appraised.

Monitoring Agency
There is no requirement for a monitoring agency in terms of Regulation 16(1) of the SEBI ICDR Regulations. The Audit Committee of our Board would monitor the utilization of the proceeds of the Issue. For details please refer to section titled ‘Objects of the Issue’ on page 47 of Draft Letter of Offer.

Underwriting / Standby agreement
Our Company has not entered into any underwriting / standby agreement.

Issue Schedule

Issue Opens on	[●]
Last date for requests for Split Application Forms	[●]
Issue Closes on	[●]

Minimum Subscription
If we do not receive the minimum subscription of 90% in this Issue or if our Board fails to dispose off the unsubscribed Equity Shares in the manner as permitted under Section 62(1)(a)(iii), subject to receipt of requisite regulatory approvals, if any, after the Issue Closing Date or the subscription level falls below 90% after the Issue Closing Date on the account of cheques being returned unpaid or withdrawal of applications, we shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If the subscription amount is not refunded within 15 days from the Issue Closing date, we shall be liable to pay interest for the period of delay, after such aforesaid 15 days, in accordance with the provisions of the Companies Act, 2013 and SEBI ICDR Regulations.

CAPITAL STRUCTURE

Our capital structure and related information as on date of the Draft Letter of Offer is set forth below.

(in Rs. Lakhs unless otherwise stated)

	Share Capital	Aggregate value at face value	Aggregate Value at Issue Price
A.	**Authorised Share Capital**		
	4,00,00,000 Equity Shares of Rs. 2/- each	800.00	
B.	**Issued, Subscribed and Paid Up Share Capital**		
	1,89,45,975 Equity Shares of Rs. 2/- each	**378.93***	
C.	**Present Issue in terms of the Draft Letter of Offer ****		
	[●] Equity Shares at an Issue Price of ₹ [●] per Equity Share	[●]	**5,000.00**
D.	**Subscribed and Paid-up capital after the Issue, assuming full subscription**		
	[●] Equity Shares of ₹ [●] each fully paid-up	[●]	
E.	**Share Premium Account:**		
	Before the Issue	961.10	
	After the Issue	[●]	

*Includes 0.01 Lakhs on account of Share forfeiture Account.

** The present Rights Issue in terms of this Letter of Offer has been authorized through resolution passed by the Board of Directors in their meeting held on April 07, 2017.

One of our promoters, M/s Hind Strategic Investments and Promoter Group company JSL Limited have approved unsecured loan to the extent of ₹ 513.34 lakhs and ₹ 500 lakhs respectively which is to be utilized for the objects for which funds from rights issue are being raised. In such case, this amount as requested by the promoters will be fully adjusted against their rights entitlement / additional subscription including through renouncement, if any, in the proposed rights issue in terms of the disclosure made to the shareholders of our company in the postal ballot, the results for which were declared on May 23, 2017.

Notes to the Capital Structure

1. **Changes in Authorised Share Capital**

The details of Changes in authorized share capital of our company since incorporation is as follows:

(in ₹, except share data)

Date	Cumulative No. of Equity Shares	Face Value (₹)	Authorised Share Capital (in ₹)	Particulars
March 31, 1996	80,00,000	10/-	8,00,00,000	Capital increased from Rs. 5,00,00,000 to Rs. 8,00,00,000
October 26, 2012	4,00,00,000	2/-	8,00,00,000	Splitting of the equity shares from the face value of Rs. 10/- each to Face value of Rs. 2/- each.

Our Company has records relating to capital formation from Financial year 1995-1996 onwards.

2. **Equity Share Capital History**

(in ₹, except share data)

Date of Allotment	No. of Equity Shares	Cumulative No. of Equity Shares	Face Value (in ₹)	Issue Price (in ₹)	Cumulative Paid up Capital (in ₹)	Nature of consideration	Category of Allottees
March 31, 1996	37,85,620	37,85,620	10/-	-	3,78,56,200	-	Shareholders
-	-	-	-	-	3,78,56,735	Share forfeiture account of Rs. 535	
October 26, 2012	-	1,89,28,100	2/-	-	3,78,56,735	Increase in number of shares consequent upon splitting of equity share of face value of Rs.10/- each to face value of Rs. 2/- each as per resolution passed at EOGM dated October 26, 2012 by the shareholders.	Shareholders
July 3, 2015	14,000	1,89,42,100	2/-	43.80/-	3,78,84,735	Shares allotted pursuant to Employee Stock Option Scheme 2013.	Employee
July 3, 2015	750	1,89,42,850	2/-	46.97/-	3,78,86,235	Shares allotted pursuant to Employee Stock Option Scheme 2013.	Employee
November 18, 2015	500	1,89,43,350	2/-	43.80/-	3,78,87,235	Shares allotted pursuant to Employee Stock Option Scheme 2013.	Employee
February 01, 2016	2,625	1,89,45,975	2/-	55.61/-	3,78,92,485	Shares allotted pursuant to Employee Stock Option Scheme 2013.	Employee

Our Company has records relating to capital formation from Financial year 1995-1996 onwards.

3. **Capital Build-up of Existing Shareholding of Promoters:**

Mr. Ratan Jindal

Date of Allotment	Number of Shares	Cumulative No. of Equity Shares	Face Value	Issue /Purchase/Sale price	Lock-in Period	Number and percentage of pledged shares	Particulars of Allotment/acquisition
09.09.1989	2,000	2,000	10/-	35/-	-	-	Acquired from market
In 1993	2,000	4,000	10/-	60/-	-	-	Right Shares on Conversion of Partially Convertible Debentures
17.02.2012	2,100	6,100	10/-	55/-	-	-	Acquired off market
26.10.2012	-	30,500	2/-	-	-	-	Increase in number of shares consequent upon splitting of equity share of face value of Rs. 10/- each to face value of Rs. 2/- each as per resolution passed at EOGM at 26.10.2012.

Hind Strategic Investments

Date of Allotment	Number of Shares	Cumulative No. of Equity Shares	Face Value	Issue price/consideration	Lock-in Period	Number and percentage of pledged shares	Particulars of Allotment/acquisition
In 1993	5,90,157	11,80,314	10/-	60/-	-	-	Right Shares on Conversion of Partially Convertible Debentures
26.10.2012	-	59,01,570	2/-	-	-	-	Increase in number of shares consequent upon splitting of equity share of face value of Rs. 10/- each to face value of Rs. 2/- each as per resolution passed at EOGM at 26.10.2012
29.11.2012	(60,000)	58,41,570	2/-	130/-	-	-	Shares disposed off

M/s Hind Strategic Investments was holding 5,90,157 equity shares in 1993 before conversion of debentures into equity by rights issue. The details of capital formation of M/s Hind Strategic Investments is available from financial year 1992-1993.

4. **Our shareholding pattern as on March 31, 2017 is as follows:**

Table I: Summary statement holding of specified securities

Cate-gory	Category of shareholders	No. of share-holders	No. of fully paid up Equity Shares held	No. of partly paid up Equity Shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957)	No. of voting rights held in each class of securities				No. of shares underlying outstanding convertible securities (including warrants)	Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital)	No. of locked in shares		No. of shares pledged		No. of Equity Shares held in dematerialised form
							(as a % of (A+B+C)	No. of voting rights			Total as % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = IV + V + VI	(VIII)	Class X	Class Y	Total	(IX)	(X)	(XI) = (VII) + (X) as a % of (A+B+C)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	23	11803150	-	-	11803150	62.30	11803150	-	11803150	62.30	-	62.30	-	-	-	-	11803150
(B)	Public	12415	7142825	-	-	7142825	37.70	7142825	-	7142825	37.70	-	37.70	-	--	-	-	6696180
(C)	Non promoter non public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	12438	18945975	-	-	18945975	100.00	18945975	-	18945975	100.00	-	100.00	-	-	-	-	18499330

Table II: Statement showing shareholding pattern of the Promoter and Promoter Group

Cate-gory	Category of share-holders	No. of share-holders	No. of fully paid up Equity Shares held	No. of partly paid up Equity Shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957)	No. of voting rights held in each class of securities				No. of shares underlying outstanding convertible securities (including warrants)	Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital)	No. of locked in shares		No. of shares pledged		No. of Equity Shares held in dematerialised form
							(as a % of (A+B+C)	No. of voting rights			Total as % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = IV + V + VI	(VIII)	Class X	Class Y	Total	(IX)	(X)	(XI) = (VII) + (X) as a % of (A+B+C)	(XII)		(XIII)		(XIV)
A(1)	**Indian**																	
(a)	**Individuals / HUF**	**12**	**265000**	**-**	**-**	**265000**	**1.40**	**265000**	**-**	**265000**	**1.40**	**-**	**1.40**	**-**	**-**	**-**	**-**	**265000**
	Prithvi Raj Jindal		72000	-	-	72000	0.38	72000	-	72000	0.38	-	0.38	-	-	-	-	72000
	S K Jindal And Sons HUF		12300	-	-	12300	0.06	12300	-	12300	0.06	-	0.06	-	-	-	-	12300
	Savitri Devi Jindal		12300	-	-	12300	0.06	12300	-	12300	0.06	-	0.06	-	-	-	-	12300
	Hina Devi Goyal		20000	-	-	20000	0.11	20000	-	20000	0.11	-	0.11	-	-	-	-	20000
	Sminu Jindal		10500	-	-	10500	0.06	10500	-	10500	0.06	-	0.06	-	-	-	-	10500
	Sajjan Jindal		31000	-	-	31000	0.16	31000	-	31000	0.16	-	0.16	-	-	-	-	31000
	P R Jindal HUF		12300	-	-	12300	0.06	12300	-	12300	0.06	-	0.06	-	-	-	-	12300
	Sarita Devi Jain		20000	-	-	20000	0.11	20000	-	20000	0.11	-	0.11	-	-	-	-	20000
	Deepika Jindal		30000	-	-	30000	0.16	30000	-	30000	0.16	-	0.16	-	-	-	-	30000
	Kusum Mittal		20000	-	-	20000	0.11	20000	-	20000	0.11	-	0.11	-	-	-	-	20000
	R K Jindal & Sons HUF		12300	-	-	12300	0.06	12300	-	12300	0.06	-	0.06	-	-	-	-	12300
	Naveen Jindal		12300	-	-	12300	0.06	12300	-	12300	0.06	-	0.06	-	-	-	-	12300
(b)	**Central Government / State Government (s)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(c)	**Bodies Corporate**	**9**	**5666080**	**-**	**-**	**5666080**	**29.91**	**5666080**	**-**	**5666080**	**29.91**	**-**	**29.91**	**-**	**-**	**-**	**-**	**5666080**
	Jindal Equipment Leasing And Consultancy Services Limited		102500	-	-	102500	0.54	102500		102500	0.54	-	0.54	-	-	-	-	102500
	Nalwa Sons Investments Limited		1372590	-	-	1372590	7.24	1372590		1372590	7.24	-	7.24	-	-	-	-	1372590
	Nalwa Investments Limited		1193855	-	-	1193855	6.30	1193855		1193855	6.30	-	6.30	-	-	-	-	1193855
	Sun Investments Private Limited		82500	-	-	82500	0.44	82500		82500	0.44	-	0.44	-	-	-	-	82500

	Hexa Securities And Finance Co Ltd		1500000	-	-	1500000	7.92	1500000		1500000	7.92	-	7.92	-	-	-	-	1500000
	Colarado Trading Co Ltd		1224635	-	-	1224635	6.46	1224635		1224635	6.46	-	6.46	-	-	-	-	1224635
	Stainless Investments Limited		82500	-	-	82500	0.44	82500		82500	0.44	-	0.44	-	-	-	-	82500
	Mansarover Investments Limited		52500	-	-	52500	0.28	52500		52500	0.28	-	0.28	-	-	-	-	52500
	Abhinandan Investments Limited		55000	-	-	55000	0.29	55000		55000	0.29	-	0.29	-	-	-	-	55000
(d)	**Financial Institutions/ Banks**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
€	**Any Other (Specify)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-total A(1)	**21**	**5931080**	**-**	**-**	**5931080**	**31.31**	**5931080**	**-**	**5931080**	**31.31**	**-**	**31.31**	**-**	**-**	**-**	**-**	**5931080**
A(2)	Foreign																	
(a)	Individuals (Non resident Individuals / Foreign Individuals)	**1**	**30500**	**-**	**-**	**30500**	**0.16**	**30500**	**-**	**30500**	**0.16**	**-**	**0.16**	**-**	**-**	**-**	**-**	**30500**
	Ratan Jindal		30500	-	-	30500	0.16	30500	-	30500	0.16	-	0.16	-	-	-	-	30500
(b)	**Bodies Corporate**	**1**	**5841570**	**-**	**-**	**5841570**	**30.83**	**5841570**	**-**	**5841570**	**30.83**	**-**	**30.83**	**-**	**-**	**-**	**-**	**5841570**
	Hind Strategic Investments		5841570	-	-	5841570	30.83	5841570	-	5841570	30.83	-	30.83	-	-	-	-	5841570
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any other (Specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-total A(2)	**2**	**5872070**	**-**	**-**	**5872070**	**30.99**	**5872070**	**-**	**5872070**	**30.99**	**-**	**30.99**	**-**	**-**	**-**	**-**	**5872070**
	Total shareholding of Promoter & Promoter Group (A) = (A)(1) + (A)(2)	**23**	**11803150**	**-**	**-**	**11803150**	**62.30**	**11803150**	**-**	**11803150**	**62.30**	**-**	**62.30**	**-**	**-**	**-**	**-**	**11803150**

Table III: Statement showing shareholding pattern of public shareholder

Cate-gory	Category of share-holders	No. of share-holders	No. of fully paid up Equity Shares held	No. of partly paid up Equity Shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957)	No. of voting rights held in each class of securities				No. of shares underlying outstanding convertible securities (including warrants)	Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital)	No. of locked in shares		No. of shares pledged		No. of Equity Shares held in dematerialised form
							(as a % of (A+B+C)	No. of voting rights			Total as % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = IV + V + VI	(VIII)	Class X	Class Y	Total	(IX)	(X)	(XI) = (VII) + (X) as a % of (A+B+C)	(XII)		(XIII)		(XIV)
B1	**Institutions**																	
(a)	**Mutual Funds**	1	15361	-	-	15361	0.08	15361	-	15361	0.08	-	0.08	-	-	-	-	15361
(b)	**Venture Capital Fund**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
©	**Alternate Investment Funds**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	**Foreign Venture Capital Investors**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	**Foreign portfolio investors**	1	500	-	-	500	0.00	500	-	500	0.00	-	0.00	-	-	-	-	500
(f)	**Financial Institutions / Banks**	2	11327	-	-	11327	0.06	11327	-	11327	0.06	-	0.06	-	-	-	-	11077
(g)	**Insurance Companies**	**1**	**332750**	**-**	**-**	**332750**	**1.76**	**332750**	**-**	**332750**	**1.76**	**-**	**1.76**	**-**	**-**	**-**	**-**	**332750**
	National Insurance Company Limited		332750	-	-	332750	1.76	332750	-	332750	1.76	-	1.76	-	-	-	-	332750
(h)	**Provident Funds/Pension Funds**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	**Any Other (Specify)**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total B1	**5**	**359938**	**-**	**-**	**359938**	**1.90**	**359938**	**-**	**359938**	**1.90**	**-**	**1.90**	**-**	**-**	**-**	**-**	**359688**
B2	**Central Government/ State Government(s)/ President of India**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total B2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B3	**Non-Institutions**																	
	Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	11703	3991543	-	-	3991543	21.07	3991543	-	3991543	21.07	-	21.07	-	-	-	-	3558988

	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	3	590085	-	-	590085	3.11	590085	-	590085	3.11	-	3.11	-	-	-	-	590085
(b)	**NBFCs Registered with RBI**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	**Employee trusts**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	**Overseas Depositories (Holding DRs)(balancing Figure)**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	**Any Other (specify)**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	**Other Bodies Corporate**	482	1860338	-	-	1860338	9.82	1860338	-	1860338	9.82	-	9.82	-	-	-	-	1846908
	Assured Fin-Cap Pvt Ltd		420820	-	-	420820	2.22	420820	-	420820	2.22	-	2.22	-	-	-	-	420820
(ii)a	NRI with Repat	161	131857	-	-	131857	0.70	131857	-	131857	0.70	-	0.70	-	-	-	-	131447
(ii)b	NRI without Repat	60	60003	-	-	60003	0.32	60003	-	60003	0..32	-	0..32	-	-	-	-	60003
(iii)	Trust		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iv)	Cooperative Societies	1	149061	-	-	149061	0.79	149061	-	149061	0.79	-	0.79	-	-	-	-	149061
(v)	Educational Institutions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(vi)	OCB		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(vii	Foreign Companies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)(3)	**12410**	**6782887**	**-**	**-**	**6782887**	**35.80**	**6782887**	**-**	**6782887**	**35.80**	**-**	**35.80**	**-**	**-**	**-**	**-**	**6336492**
	Total public shareholding (B) = (B)(1)+(B)(2)+(B)(3)	**12415**	**7142825**	**-**	**-**	**7142825**	**-**	**7142825**	**-**	**7142825**	**37.70**	**-**	**37.70**	**-**	**-**	**-**	**-**	**6696180**

Table IV: Statement showing shareholding pattern of Non promoter- Non public shareholder

Cate-gory	Category of share-holders	No. of share-holders	No. of fully paid up Equity Shares held	No. of partly paid up Equity Shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957)	No. of voting rights held in each class of securities				No. of shares underlying outstanding convertible securities (including warrants)	Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital)	No. of locked in shares		No. of shares pledged		No. of Equity Shares held in dematerialised form
							(as a % of (A+B+C)	No. of voting rights			Total as % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = IV + V + VI	(VIII)	Class X	Class Y	Total	(IX)	(X)	(XI) = (VII) + (X) as a % of (A+B+C)	(XII)		(XIII)		(XIV)
1	Custodian / DR Holder																	
(a)	Name of DR Holder (if any)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	N.A.	-
2	Employees benefit trust (under SEBI (Share based employee benefit) Regulations, 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	N.A.	-
(b)	Total non promoter non public shareholding (C) = (C)(1) + (C)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	N.A.	-

5. **Equity Shares held by Our Top Ten Shareholders**

(a) As on the date of the Draft Letter of Offer, i.e. June 29, 2017 is as follows:

S. No.	Name of the Shareholders	No. of Equity Shares	% of total Shareholding
1	Hind Strategic Investments	58,41,570	30.83
2	Hexa Securities and Finance Co. Limited	15,00,000	7.92
3	Nalwa Sons Investments Limited	13,72,590	7.24
4	Colorado Trading Co Limited	12,24,635	6.46
5	Nalwa Investments Limited	11,93,855	6.30
6	Assured Fin-Cap Private Limited	4,20,820	2.22
7	Asha Mukul Agrawal	3,40,000	1.79
8	National Insurance Company Limited	3,32,750	1.76
9	Hanesh Snivasan	1,57,000	0.83
10	Ever plus Securities and Finance Limited	1,50,850	0..80
	Total	**1,25,34,070**	**66.16**

(b) As on 10 days prior to the date of the Draft Letter of Offer, i.e June 19, 2017 is as follows:

S. No.	Name of the Shareholders	No. of Equity Shares	% of total Shareholding
1	Hind Strategic Investments	58,41,570	30.83
2	Hexa Securities and Finance Co. Limited	15,00,000	7.92
3	Nalwa Sons Investments Limited	13,72,590	7.24
4	Colorado Trading Co Limited	12,24,635	6.46
5	Nalwa Investments Limited	11,93,855	6.30
6	Assured Fin-Cap Private Limited	4,20,820	2.22
7	Asha Mukul Agrawal	3,40,000	1.79
8	National Insurance Company Limited	3,32,750	1.76
9	Hanesh Snivasan	1,57,000	0.83
10	Ever plus Securities and Finance Limited	1,50,850	0..80
	Total	**1,25,34,070**	**66.16**

(c) As on two years prior to the date of Draft Letter of Offer, June 29, 2015 as follows:

S. No.	Name of the Shareholders	No. of Equity Shares	% of total Shareholding
1	Hind Strategic Investments	58,41,570	30.83
2	Hexa Securities and Finance Co. Limited	15,00,000	7.92
3	Nalwa Sons Investments Limited	13,72,590	7.24
4	Colorado Trading Co Limited	1,22,4635	6.46
5	Nalwa Investments Limited	1,19,3855	6.30
6	Matthews Emerging Asia Fund	52,5830	2.78
7	Asha Mukul Agrawal	43,2478	2.28
8	Assured Fin - Cap Private Limited	38,0825	2.01
9	National Insurance Company Limited	33,2750	1.76
10	Ever plus Securities and Finance Limited	15,0850	0.80
	Total	**1,29,55,283**	**68.38**

6. **Subscription to the Issue by the Promoters and Promoter Group**
   Mr. Ratan Jindal and Hind Strategic Investments, Promoters of our Company, have confirmed, on behalf of the Promoter Group, vide their letter dated June 02, 2017 that they intend to subscribe to the full extent of their Rights Entitlement in the Issue, in compliance with regulation 10(4) of the SEBI Takeover Regulations.

   Mr. Ratan Jindal and Hind Strategic Investments, Promoters of our Company, on their behalf and on behalf of the Promoter Group, have further confirmed vide their letter dated June 02, 2017 that, they intend to (i) subscribe for additional Equity Shares and (ii) subscribe for unsubscribed portion in the Issue, if any. Such subscription to additional Equity Shares and the unsubscribed portion, if any, to be made by the Promoter Group, shall be in accordance with regulation 10(4) of the SEBI Takeover Regulations. Their entitlement to subscribe to the Issue would be restricted to ensure that the public shareholding in the Company after the Issue does not fall below the permissible minimum level as specified in the applicable laws, including but not limited to, Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and entered with the Stock Exchanges and the Securities Contract (Regulations) Rules, 1957.

7. Our Promoter Group and any one of the Directors and their immediate relatives have not sold or purchased any shares of our Company during the period of six months preceding the date of this Draft Letter of Offer except that JSL Limited has purchased 1,000 shares on June 14, 2017 at average price of Rs. 264.42.

8. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares as on the date of the Draft Letter of Offer. We have no partly paid up equity shares or call in arrears as on the date of the Draft Letter of Offer.

9. None of the shares were issued by our Company during the last 12 months at a price lower than the Issue Price.

10. None of the Equity Shares of our Company are locked-in as on the date of the Draft Letter of Offer.

11. None of the Equity Shares of our Company held by the Promoter is subject to pledge or encumbrance as on the date of the Draft Letter of Offer.

12. The present Issue being a rights issue, pursuant to Regulation 34 of the SEBI ICDR Regulations, the requirements of Promoters' contribution and lock-in are not applicable.

13. Except for the allotment of Equity Shares pursuant to exercise of options under ESOP 2013, if any, there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of the Draft Letter of Offer with the Stock Exchanges until the Equity Shares to be issued pursuant to the Issue have been listed.

14. If we do not receive the minimum subscription of 90% in this Issue or if our Board fails to dispose off the unsubscribed Equity Shares in the manner as permitted under Section 62(1)(a)(iii), subject to receipt of requisite regulatory approvals, if any, after the Issue Closing Date or the subscription level falls below 90% after the Issue Closing Date on the account of cheques being returned unpaid or withdrawal of applications, we shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If the subscription amount is not refunded within 15 days from the Issue Closing date, we shall be liable to pay interest for the period of delay, after such aforesaid 15 days, in accordance with the provisions of the Companies Act, 2013 and SEBI ICDR Regulations.

15. The ex-rights price of the Equity Shares as per Regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ [●].

    The directors or the merchant banker have not entered into any buy back arrangements for purchase of the specified securities of the issuer, other than the arrangements, if any, entered for safety net facility as permitted in the Regulations.

Employee Stock Option Scheme

Our Company has constituted Employee Stock Option Plan 2013 pursuant to the resolution passed by the Board and Shareholders on August 06, 2013 in terms of the SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999. As on the date of the Draft Letter of Offer, we have granted 9,40,000 stock options in accordance with the ESOP 2013, details of which are as under:

Particulars	Details	
Options approved by shareholders	9,46,405 Options	
Options Granted	9,40,000 Options	
Vesting period	Not earlier than 1 year and not later than 6 years from the date of grant of options	
Pricing Formula	At market price, i.e closing price prior to the date of meeting of Board of Directors in which the options or granted or at a price upto 33% discount to the market price.	
Options Vested	49,075 Options	
Options Exercised	17,875 Options	
Total number of shares arising as a result of exercise of option	17,875 Shares	
Options lapsed/forfeited/cancelled	8,23,725	
Variation of terms of options	There is no variation in terms of options	
Money realized by exercise of options	Rs. 8,16,304	
Total number of options in force as on March 31, 2017	98,400	
Employee-wise detail of options granted to		
Senior managerial personnel i.e., Directors and Key Managerial Personnel	Mr. Sameer Nagpal, Managing Director (Tenure of Employment – 25.05.2013 to 30.05.2015)	
Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during that year	Nil	
Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Mr. Sameer Nagpal, Managing Director (Tenure of Employment – 25.05.2013 to 30.05.2015)	
Lock-in	Nil	
Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	Exercise price for shares was less than the Market price of the Stock Weighted average exercise price- Rs.72.12 weighted average fair value of options – Rs.75.70	
Method and significant assumptions used to estimate the fair value of options granted during the year including weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in market at the time of grant of the option	Method and Significant assumptions used to estimate the fair values of options	Balck Scholes valudation Model
	(i) Weighted average share price/Fair Value of share (Rs.)	107.63
	(ii) Exercise Price (Rs.)	72.12
	(iii) Annual Volatility (Standard Deviation – Annual)	69.57%
	(iv) Time to Maturity – in years	4.64
	(v) Dividend yield	0.00%
	(vi) Risk Free rate - Annual	8.15%

Category of employee	No. of options Alloted	Date of Allotment	Exercise Price (Rs. per option)
Key Managerial Personnel			
Managing Director (Mr. Sameer Nagpal)	14,000	03.07.2015	43.80
Employee who is issued shares in any one year amounting to 5% or more shares issued during the year (if any)	Nil	N.A	N.A
Employee who is issued shares during any one year equal to or exceeding 1% of the issued capital of the Company at the time of issuance (if any)	Nil	N.A	N.A

OBJECTS OF THE ISSUE

The proceeds of the Issue are proposed to be utilized by us for financing the following objects:

1. Additional Working Capital Requirements
2. General Corporate Purposes
3. Expenses for the issue

The main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Rights Issue.

Requirement of Funds

The total estimated funds requirement is given below:

Sr. No.	Particulars	Amount (in ₹ Lakhs)
1	Additional Working Capital Requirements	3,800.00
2	General Corporate Purposes	[●]
3	Expenses for the issue	[●]
Total		5,000.00

Means of Finance

Sr. No.	Particulars	Amount (in ₹ Lakhs)
1	Proceeds from the Rights Issue	5,000.00
Total		**5,000.00**

The fund requirement and deployment is based on our Management estimates and has not been appraised by any bank or financial institution or any other independent agencies. The fund requirement above is based on our current business plan.

We do not propose to raise any funds for meeting the Objects of the Issue from sources other than proceeds of the Rights Issue. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Rights Issue and existing identifiable internal accruals as required under the SEBI ICDR Regulations.

In view of immediate funds requirement of our company, one of our Promoters, M/s Hind Strategic Investments and one of our promoter group companies, M/s JSL Limited have approved unsecured loan to the extent of USD 8 Lakhs (equivalent to Rs. 513.34 Lakhs) and ₹ 500 lakhs respectively which is to be utilized for the purposes for which funds from rights issue are being raised. This amount as requested by the promoters will be fully adjusted against their rights entitlement / additional subscription including through renouncement, if any, in the proposed rights issue in terms of the disclosure made to the shareholders of our company in the postal ballot, the results for which were declared on May 23, 2017.

Details of Unsecured Loans

Name of the Lender	Nature of the Loan	Amount Sanctioned (in lakhs)	Date of Agreement / Sanction letter	Rate Of Interest	Terms of Repayment
Hind Strategic Investments	Unsecured loan	Rs. 513.34*	28/04/2017	6M LIBOR+ 300 bps	At maturity (5 years)
JSL Limited	Unsecured loan	Rs. 500.00	01/06/2017	11.00%	Payable on demand- 180 days prior notice

*USD 800,000 @ [64.1675] Rs. 513.34 Lakhs as on June 09, 2017

Details of use of Issue Proceeds:

1. Additional Working Capital Requirements

As we are in the business of manufacturing paints, we have to maintain adequate inventory during all times. Presently we have sanctioned working capital limits of Rs. 11,000 Lakhs. The additional working capital requirements as per the proposed expansion plans amounts to Rs. 3,800 Lakhs. We have estimated our working capital requirements till 2017-2018.

The working capital requirement is estimated as under:

(Rs. In Lakhs)

Particulars	March 2017	March 2018
Current Assets		
Inventories	9,255	12,119
Sundry Debtors	12,470	14,057
Cash & Bank balances	1,195	1,421
Loans & Advances	651	639
Other Current Assets	1,901	1,912
Claim Recievables	3,478	2,004
Total Current Assets	**28,950**	**32,152**
Current Liabilities and Provisions		
Sundry Creditors	16,022	14,800
Provisions and other current liabilities	6	6
Other Current Liability	2,919	2,544
Total Current Liabilities	**18,947**	**17,350**
Total Working Capital Gap	10,003	14,802
Working Capital facilities from Banks	11,000	11,000
Requirement of Additional Working Capital		**3,802**
Proceeds from the Issue		**3,800**

The Working capital assessment is made on the basis of following assumptions:

Particulars	Existing Period (in months)	Estimate (in months)
Creditors Turnover Period	8.27	5.75
Raw Material Holding Period	0.99	1.33
WIP Holding Period	0.07	0.07
Closing Stock Holding Period	2.43	2.43
Debtors Turnover Period	2.77	2.63

2. General Corporate Purposes

We intend to deploy Rs. [●] Lakhs from proceeds of the Rights Issue towards general corporate purposes. The general corporate purposes for which our Company proposes to utilize issue proceeds include but not restricted to entering into brand building exercises and strengthening our marketing capabilities, general maintenance and capex, partnerships, tie-ups, joint ventures or acquisitions, investment in our Subsidiaries or contingencies in ordinary course of business which may not be foreseen or any other purposes as approved by our Board of Directors. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. However, not more than 25% of the proceeds of the issue would be deployed for the General Corporate purposes.

3. Expenses for the Issue

The Issue related expenses consist fees payable to the Lead Manager, Legal counsel and Registrar to the Issue, stationery printing and distribution expenses, legal fees, statutory advertisement expenses, NSDL / CDSL connectivity charges, fees payable to SEBI, listing fees, selling commission, if any, etc. The total expenses of the Issue are estimated to be approximately ₹ [●] Lakhs.

(₹ in lakhs)

Particulars	Estimated Expenses (₹ in Lakhs)	% of Estimated Issue size	% of Estimated Issue expenses
Fees payable to intermediaries including Lead Manager and Registrar to the Issue	[●]	[●]	[●]
Advertising, travelling and marketing expenses	[●]	[●]	[●]
Printing and stationery expenses	[●]	[●]	[●]
Other expenses (including but not limited to legal counsel fees, SEBI fees, listing charges, depository fees, auditor fees, commission, brokerage, out of pocket reimbursements, etc.)	[●]	[●]	[●]
Total	[●]	[●]	[●]

Estimated Schedule of Deployment of Funds

As estimated by our management, the entire proceeds received from the issue would be utilized a under:

(₹ in lakhs)

Particulars	Funds already deployed (upto May 31, 2017)	2017-18	Total
Working Capital Requirements	-	3,800.00	3,800.00
General Corporate Purposes	-	[●]	[●]
Issue Expenses	4.45	[●]	[●]
Total	4.45	[●]	[●]

Deployment of Funds towards the Objects of the Issue

We have incurred ₹ 4.45 lakhs upto May 31, 2017 towards the Objects of the Issue which has been certified by Mr. G.K Aggarwal (Membership No. 086622), N.C Aggarwal & Co., Chartered Accountants, vide his certificate dated June 01, 2017. The same has been incurred towards issue related expenses and have been financed through internal accruals/ working capital.

Interim Use of Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Issue Proceeds. Pending utilization of the Issue Proceeds for the purposes described above, our Company may use the proceeds in lowering the availment in cash credit facilities with the Bank and / or temporarily invest the Proceeds in deposits in one or more Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Issue Proceeds.

Monitoring of Utilization of Funds

There is no requirement for appointment of an independent monitoring agency in terms of Regulation 16(1) of the SEBI ICDR Regulations. Pursuant to Regulation 18 of SEBI (LODR) Regulations, 2015, the Audit Committee of our Board will monitor the utilization of the Net Proceeds.

We shall, on a quarterly basis disclose to the Audit Committee the uses and application of the proceeds of the Issue and further disclose the same a part of the quarterly declaration of financial results. We will disclose the utilization of the proceeds of the Issue under a separate head in our balance sheet till such time the proceeds of the Issue have been utilised, clearly specifying the purpose for which such proceeds have been utilized. We will also, in our balance sheet till such time the proceeds of the Issue have been utilised, provide details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue. The said annual disclosure shall also be certified by the Statutory Auditors of our Company.

No proceeds from the Issue are proposed to be paid to the Promoters of our Company.

STATEMENT OF TAX BENEFITS

STATEMENT OF TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

T**he Board of Directors,**
Shalimar Paints Limited,
Stainless Centre, 4th floor,
Plot No. 50, Sector 32,
Gurugram - 122003, Haryana

Dear Sirs,
Sub: Statement of Special tax benefit ('the Statement') available to Shalimar Paints Limited and its shareholders prepared in accordance with the requirements under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the' Regulations')

1. We hereby confirm that the enclosed Annexure, prepared by Shalimar Paints Limited ('the Company'), provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 ('the Act'), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfill.
2. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
3. We do not express any opinion or provide any assurance as to whether:

    i. the Company or its shareholders will continue to obtain these benefits, in future;
    ii. the conditions prescribed for availing the benefits have been / would be met with;
    iii. the revenue authorities/courts will concur with the views expressed herein.
4. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.
5. No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.

6. We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.

7. The enclosed annexure is intended for your information and for inclusion in the Draft Prospectus / Prospectus in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our written consent.

For **Chaturvedi & Partners**
Chartered Accountants
FRN: 307068E
Anup Kumar Dubey
Partner
Membership No.: 054975
Place: Kolkata
Date: 31st May, 2017
ANNEXURE

Statement of Special Tax Benefits available to the Company & its Shareholder under the Income Tax Act, 1961 and other Direct Tax Laws presently in force in India

SPECIAL TAX BENEFITS

I. Benefits available to the Company

Expenditure on scientific research under section 35 of the Income tax Act,1961(the Act)

Subsection (2AB) (1) of section 35 is applicable to the Company, the relevant portion of it is reproduced below:-

"Where a company engaged in the business of biotechnology or in any business of manufacture or production of any article or thing, not being an article or thing specified in the list of the Eleventh Schedule incurs any expenditure on scientific research (not being expenditure in the nature of cost of any land or building) on in house research and development facility as approved by the prescribed authority, then, there shall be allowed a deduction of a sum equal to *two* times of the expenditure so incurred."

The Company has in-house approved scientific research and development facility at Nasik , for carrying out research in relation to production of paints and allied products. Deduction allowable under the Act, subject to fulfillment of specified conditions is two times (one and one half times –w.e.f- 01/04/2017) of the expenditure incurred on scientific research.

There are no other special tax benefits available to the Company.

II. Benefits available to the Shareholders

There are no special tax benefits available to the shareholders for investing in the proposed right issue of shares of the Company.

For **Chaturvedi & Partners**
Chartered Accountants
FRN: 307068E

Anup Kumar Dubey
Partner
Membership No.: 054975

Place: Kolkata
Date: 31st May, 2017

INDUSTRY OVERVIEW

The information presented in this section has been obtained from publicly available documents from various sources including officially prepared materials from the Government of India and its various ministries, industry websites/publications and company estimates. Industry websites / publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Although we believe industry, market and government data used in the Draft Letter of Offer is reliable, it has not been independently verified. Similarly, our internal estimates, while believed by us to be reliable, have not been verified by any independent agencies.

Indian Economy

The Indian economy is the fourth largest economy in the world by purchasing power parity with an estimated GDP of approximately USD 8.721trillion in 2016.*(**Source:** CIA World Factbook)* India's GDP will continue to expand at the fastest pace among major economies, with growth forecast at 7.6 % in 2016-17. India's economy has benefited from the large terms of trade gain triggered by lower commodity prices, and inflation has declined more than expected. Positive policy actions, structural reforms, including the introduction of an important tax reform and formalization of the inflation targeting framework and improved confidence are expected to support consumer demand and investment. Important policy actions toward the implementation of the goods and services tax have been taken, which will be positive for investment and growth. *(**Source:** International Monetary Fund - World Economic Outlook - October 2016).*

As per the latest estimates available on the Index of Industrial Production (IIP), the General Index for the month of February 2017 stands at 182.30, which is 1.2% lower as compared to the level in the month of February 2016. The cumulative growth during April-February 2016-17over the corresponding period of the previous year stands at 0.40%. The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of February 2017 stand at 140.6, 190.1 and 182.5 respectively, with the corresponding growth rates of 3.3%, (-) 2.0 % and 0.3 % as compared to February 2016. The cumulative growth in these three sectors during April-February 2016-17 over the corresponding period of 2015-16 has been 1.6 %, (-) 0.3 % and 4.6 % respectively. In terms of industries, fifteen (15) out of the twenty two (22) industry groups (as per 2- digit NIC-2004) in the manufacturing sector have shown negative growth during the month of February 2017 as compared to the corresponding month of the previous year.
*(**Source:** Website of Ministry of Statistics and Programme Implementation)*

The Foreign Direct Investment (FDI) was USD 45.15 Billion in FY 2014-15 and USD 55.56 Billion in FY 2015-16 and USD 60.08 Billion during April, 2016 to March, 2017 in FY 2016-17 as per provisional figures by RBI. The cumulative amount of FDI Inflows from April, 2000 to March, 2017 stood at USD 484.35 Billion.
*(**Source:** Website of Department of Industrial Policy and Promotion)*

Indian Paint Industry-An overview

The Paints & Allied Industry which has been exempted from compulsory licensing, mainly consists of paints, enamels, varnishes, pigments, printing inks, etc. These play a vital role in the economy by way of protecting national assets from corrosion. These items are manufactured both in the organized sector and small scale sector. The production of Paints of all kinds and Printing Ink during 2015-16 was 7,98,715.22 tonnes and 2,29,693.88 tonnes respectively. During the April, 2016 to October, 2016, the production of these products has been 500,720.34 tonnes and 1,41,532.50 tonnes respectively.
*(**Source:** Department of Industrial Policy and Promotion, www.dipp.nic.in -Annual Report 2016-17)*

The Indian paint industry has been growing constantly over the last decade. Growth has been consistent with the GDP growth rate and in some years even higher. Over the past few years, the Indian paint market has substantially grown and caught the attention of many international players. The country continues to enjoy a healthy growth rate compared to other economies, backed by the increasing level of disposable income, and demand from infrastructure, industrial and automotive sectors. Indian paints industry by value and volume, is expected to grow at a CAGR (Compounded Annual Growth Rate) of around 12% during 2016-17 to 2021-22 in value terms.

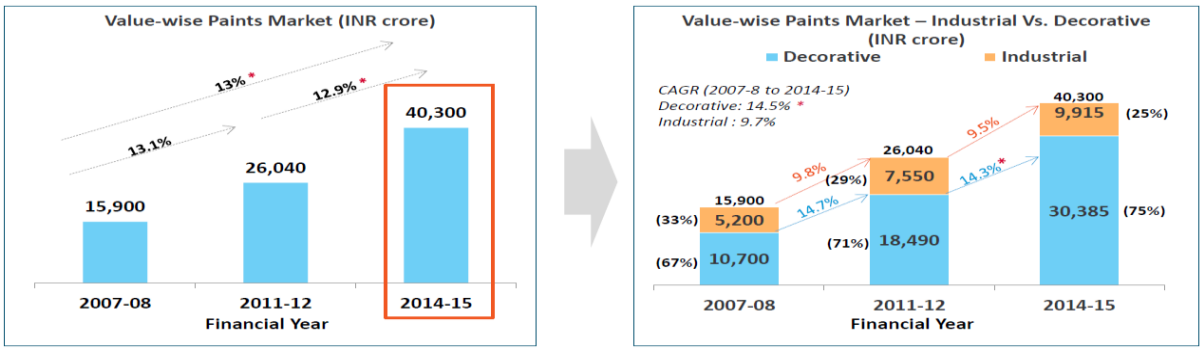
The Indian paint industry has been witnessing a gradual shift in the preferences of people from the traditional whitewash to higher quality paints like emulsions and enamel paints, which is providing the basic stability for growth of Indian paint industry. Besides, it is creating a strong competitive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

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

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

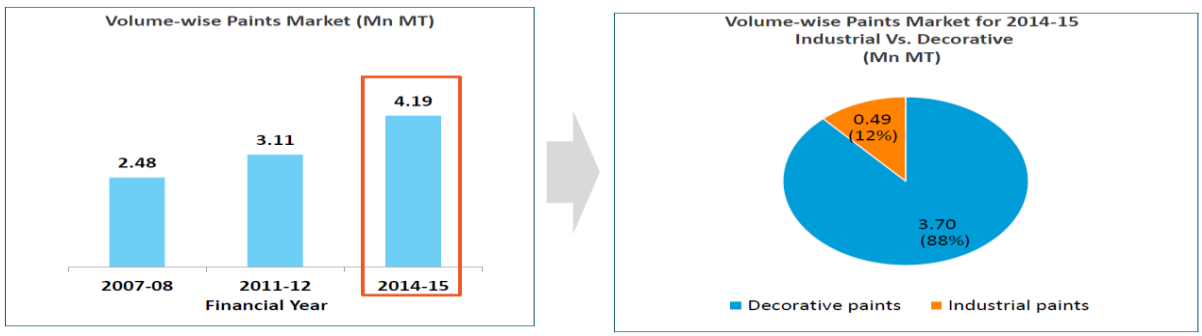
The paint sector in India is facing certain challenges. Factors like rising input prices and stringent environmental regulations pose a barrier for growth. The paint sector is raw material intensive, with over 300 raw-materials (50% petro-based derivatives) involved in the manufacturing process. Since most of the raw materials are petroleum based, the industry is sensitive to crude oil prices. Another concern is that the demand for paint, being a discretionary expenditure, is typically hurt during periods of inflation.

The Indian paint industry in terms of value increased to Rs. 40,300 crore in financial year 2014-15 as compared to Rs. 26,040 crore in financial year 2011-12, representing, Compounded Annual Growth Rate (CAGR) of 12.9% during period 2011-12 to 2014-15 (excluding wall cement putty figures). The share of decorative paint is 75% and share of industrial paint is 25% in financial Year 2014-15.



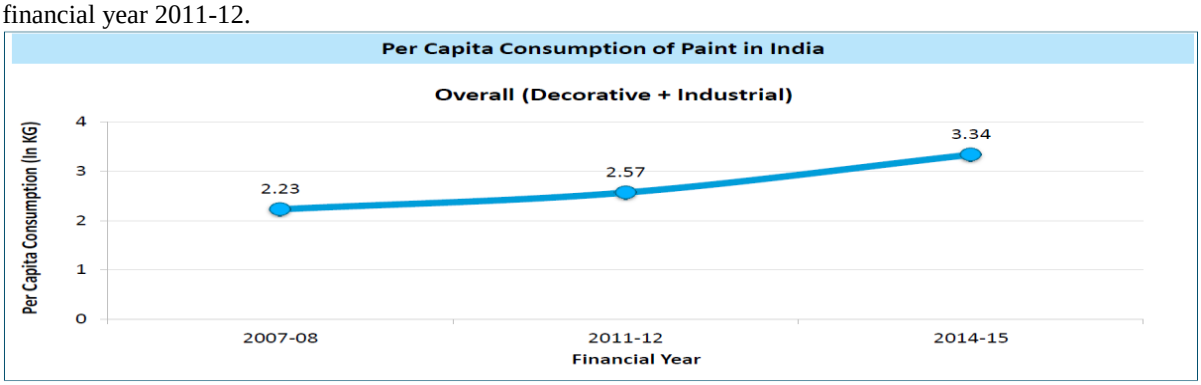
*(**Source**: AC Nielsen Report on Market Study on Paint Industry in India" issued by The Indian Paint Association (IPA) with Nielsen India Private Limited in November, 2016.)*

In terms of volume, the size of Indian paint industry was 4.19 Million MT in financial year 2014-15 as compared to 3.11 Million MT in financial year 2011-12,.The share of decorative paint is 3.70 Million MT and share of industrial paint is 0.49 Million MT in the financial year 2014-15.Further, decorative to industrial ratio in terms of volume is 88: 12 for financial year 2014-15.



*(**Source**: AC Nielsen Report on Market Study on Paint Industry in India" issued by The Indian Paint Association (IPA) with Nielsen India Private Limited in November, 2016.)*

The per capita consumption of paint in India is 3.34 kg in financial year 2014-15 as compared to 2.57 kg in financial year 2011-12.



*(**Source**: AC Nielsen Report on Market Study on Paint Industry in India" issued by The Indian Paint Association (IPA) with Nielsen India Private Limited in November, 2016.)*

Segments

Paint industry is classified into two broad categories viz., Decorative and Industrial. While decorative paints constitute 74% share of the market sales, industrial paints constitute 26% share, with others being negligible;

- **Decorative Paint,** include higher end acrylic exterior and interior emulsions, medium range exterior and interior paints, low end distempers, wall putty, wood coatings, cement paints, primers, thinners and putties – accounting for over 74% of the paint market in India and growing at a faster pace than Industrial paints. These are either water based or solvent based. Water based paints (or emulsions) are increasingly preferred by customers because of better aesthetics, durability and environmental reasons. The list of products in the decorative paints segment includes Enamel, Exterior Emulsion, Interior Emulsion, Putty, Distemper, Primer and Thinner, Wood Coatings and Cement Paint

  Emulsion (Interior and Exterior) contribute to the highest category share, in terms of value, in decorative paints, while in terms of volume, putty contributed to high category share of the decorative paints, though its category share in terms of value is much less

- **Industrial Paints,** essentially comprise general industrial, automotive, protective and powder coatings. In addition to the above, Indian paint companies are also present other segments such as automotive coatings, coil coatings, can coatings, marine coatings, wood coating etc. Some companies also manufacture certain key raw material chemicals in-house. The list of products in the Industrial paints segment includes Protective, Auto OEM, Auto Refinish, Powder Coating, GI Paints, Coil Coating, Can Coating, Marine and others.
  Protective paints have the highest category share of industrial paints in terms of value, followed by the auto OEM segment, while the powder coating comprises the highest in terms of volume.

Industry Structure

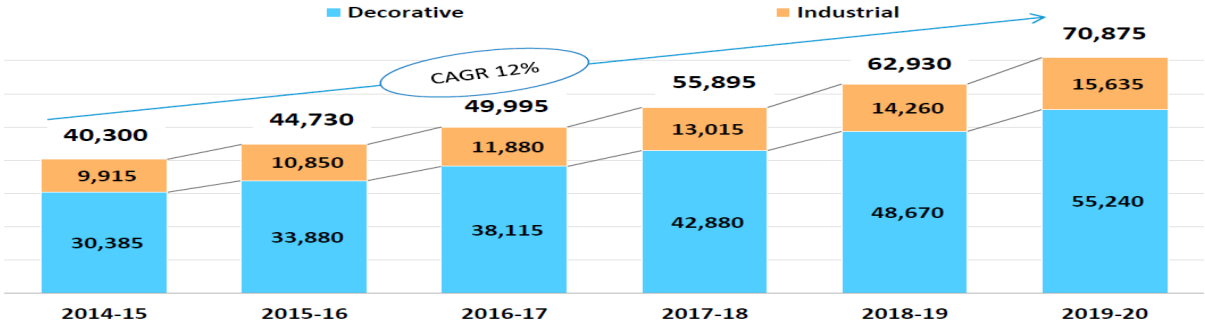
- **Organized Sector,** top organized players include Asian Paints, Kansai Nerolac, Berger Paints, Akzo Nobel and Shalimar Paints. They control most of the market.

- **Unorganized Sector,** in the unorganized segment there are about 2,000 units having small and medium sized paint manufacturing plants

Going forward with further clarity around timelines and effectiveness of GST rollout from the Government, it is likely expected that there shall be an accelerated shift from the unorganised to the organised market in the paint industry. The Companies shall be able to make their distribution networks more efficient thereby reducing the freight costs.

Future Aspects

Indian paint industry is expected to grow from the current level of about Rs. 55,895 crore to about Rs.70,875 crore by the financial year 2019-20with double-digit compounded annual growth rate (CAGR) of about 12% per financial year. The industrial paint market and decorative paint market is expected to witness a CAGR of 9.5% and 12.7% respectively.



*(**Source**: AC Nielsen Report on Market Study on Paint Industry in India" issued by The Indian Paint Association (IPA) with Nielsen India Private Limited in November, 2016.)*

The ASSOCHAM, in its recent report on "Indian paint Industry: 2014" reveals that India is the second-largest consumer of paint in Asia.

"The Indian paint industry has seen a gradual shift in the preferences of people from the traditional white wash to higher quality paints like emulsions and enamel paints", said Mr. D S Rawat, Secretary General ASSOCHAM.

As per the ASSOCHAM findings, the rural market has grown at a rate of around 20% a year (in financial year 2014). Increase in sales outside metros, as rural India's incremental consumption expenditure is witnessing a handsome growth.

The rural sector has a major share of the decorative paints segment. Thus, any benefit to the rural sector for improving the dispensable income is directly co-related to the growth of the paint industry. Besides, decorative paints are marketing savvy products backed by large advertisement campaigns and dealership networks.

*(**Source:** http://assocham.org/newsdetail.php?id=4670)*

Factors Influencing Consumers Behavior

Distribution: Sales of decorative paints requires extensive dealer networks, especially in the rural and semi-urban markets; hence a strong supply chain and pan-India distribution presence is essential for making product successful.

Product portfolio: It is essential for paints companies to have a judicious mix of targeted products for its core customer along with a complete product portfolio across product categories and price points for the entire customer universe.

Brand: Paints are becoming a high involvement purchase for the end use consumer; hence the brand plays a key role in determining his choice, both for new construction and repainting activities.

Motivating Factors/ Growth Drivers of Indian Paint Industry

Increasing Urbanization: Urbanization has resulted in a shift from temporary house to permanent houses. People opting for permanent house in urban areas are looking for well-designed interior and exterior aspect. As a result this calls for more houses being painted using medium and premium paints. Interiors are becoming a matter of style statement for the people residing in urban areas and thus an increase in the per capita consumption of paint is witnessed. The overall demand of the paint is also driven by such behavioral attribute of people.

Increase in urbanisation to 32.7% in 2015

Year	Growth Rate
2001	27.8%
2011	31.2%
2015	32.7%

*(**Source**: AC Nielsen Report on Market Study on Paint Industry in India" issued by The Indian Paint Association (IPA) with Nielsen India Private Limited in November, 2016.)*

Increasing level of income: There has been considerable rise in the proportion of young population. Also increasing trend in the disposable income has been witnessed which is leading to a change in consumer habits. The Indian economy is shifting from a savings economy to a spending economy. With more income at disposal people are opting for better products and paint is no exception.

Availability of financing options: Easy financing is available for housing and automobile. This is expected to favour more people to buy houses and travel in personal vehicles. This in turn drives the growth of housing and automobile sector for which paint industry get its share.

Increasing share of organized sector: There has been considerable decrease in taxes on raw materials. This has helped improve the status and position of the organized players. The organized sector is expanding and its distribution network is growing. The adoption of installing tinting machines at retail outlets has helped the sector grow at a much faster rate. These tinting machines offer a wide variety of color shade options to choose from. The unorganized players on the other hand are unable to provide such facility as they face capital crunch.

Growth of Realty, Automobile and Infrastructure sector: Paint industry is highly dependent on development of realty and housing sector. For the total paint demand, over 75% is generated from the decorative segment. Automobile segment generates over 35% of demand of industrial paint. Infrastructure segment creates direct and indirect demand for paints through supporting the growth of the realty, automobile, FMCG and other industries where paint is used. The growth potential in the 3 sectors is immense and paint industry being dependent on these is expected to show strong growth.

Increasing Penetration in the Rural Markets: Distemper segment is the primary product used in rural areas. Thus it is dominated by the unorganized players. Demand is dependent on agriculture which again is dependent on the monsoons. Development of irrigation helped in reducing the dependence on monsoon. Thus, with the modernization of agriculture and accompanying development of rural India, consumer preferences are expected to improve.

Key Challenges

Some of the prominent challenges for Indian paint industry are:

Seasonal Demand: Paint Industry is a seasonal industry. The demand shoots up during the Diwali season or other festive seasons and it will below in the rainy season.

Inventory Management at Dealer Level: The product differentiation is minimal in paint industry. The very close substitutes are readily available. Hence the inventory management at the dealer level is of a prime importance. It is also important for brand visibility and occupying the shelf space.

Shade Offerings: As the shades offered by the paints companies are very high in number, the problem of distribution becomes very significant. The demand for a particular shade may peak up suddenly in a particular region. The inventory management at the distributor and dealer level isof great importance.

Distribution Costs: Distribution costs are important for a lower price product like Distemper. The Distemper is a stiff paint and is sold on weight basis. It is called as the "Bread and Butter" of the paint industry as the consumption is highest for this product. Hence, the cost associated with distribution of it is of prime importance.

Low Per Capita Consumption: The per capita paint consumption in India is in one of the lowest. This shows the lower penetration of the paint industry in the country. The paint companies have to educate the customers that they should go for the repainting of their houses frequently. This is a very unique feature of the industry that

the Indian people will go for repainting either for some festival such as Diwali or occasions like Marriage or when the repainting is absolutely unavoidable.

Competition from Unorganised and Small Players: A critical challenge in the paints industry is the competition from unorganised and small players; who is not liable for excise as well as other taxes. This results in creating a level playing field between unorganized/small players and organised segments. In the unorganised segment, there are about 2,000 units having small and medium sized paint manufacturing plants.

Category	Definition	Number of Players	Characteristics
Very Large Players	Annual sales >INR 2000 crore	4	- National presence - Own distribution network
Large / Mid-size Players	Annual sales between INR 10 - 2000 crore	175	- National / regional presence or present in more than 2 regions - Own distribution network. - A handful of players work as contract manufacturers for big players
Small Players	Annual sales up to INR 10 crore	2250	- Unorganised sector - Mostly manufacturing low-end industrial paints

*(**Source**: AC Nielsen Report on Market Study on Paint Industry in India" issued by The Indian Paint Association (IPA) with Nielsen India Private Limited in November, 2016.)*

OUR BUSINESS

We are engaged in the business of manufacturing and marketing of paints. The paint industry is classified in two broad categories - Decorative and Industrial. For our company, the Decorative segment consists of 66% of total turnover while industrial segment contributes 34% for the financial year ending March 31, 2017.We believe in continuous product innovations for sustainable future by introducing new generation products including eco-friendly products and practices.

We have the wide range of products in Decorative & Industrial sectors as mentioned below

- **Decorative Paints** – Decorative paints are generally used for painting of domestic, office and other buildings mainly for enhancement of aesthetic look & protection. Our Company manufactures and markets wide range of decorative paints for interior and exterior surfaces – concrete, plaster, metal or wood etc., We have created established brand like Weather Pro, Xtra Tough premier, Shaktiman exterior emulsion specially designed for exterior surfaces. We have wide range of interior emulsions brand like Signature luxury emulsion, Stay Clean interior emulsion, Superlac Advance, No 1 Silk and Master interior emulsion & NO.1 Distemper. Shalimar enjoys established brand in solvent based product range like Superlac Hi–Gloss synthetic enamel, Superlac satin enamel, lustre finish. Our Company's range of water based paints come with no added lead or mercury and with near zero VOC.

- **Industrial Paints** – Shalimar manufactures and markets industrial coatings to cater Protective coating sector, Product Finish (OEM,General Industrial Sector), Range of marine paints including antifouling paints Packaging coatings for metal decoration including food can lacquers are established products running successfully in different coating lines for years. Industrial paints can again be classified into Heavy duty protective Coating, GI coating, Packaging Coating and Marine coatings and primarily used for protect the structure from deterioration through corrosion and then beautification. Shalimar is actively involved in providing solution through their expert team to mitigate corrosion by recommending the appropriate coating systems.

Manufacturing facilities & Supply Chain: We have at present running manufacturing facilities at Sikandrabad (UP). We are in the process of re-commissioning Greenfield manufacturing facility at Gummidipoondi Tamil Nadu Plant. This new Greenfield facility is expected to be ramped up in second half of 2017-18.

Our Company has two other manufacturing facilities at Nasik and Howrah. There was a fire incident in the Howrah Plant on 12th March, 2014 and the plant is under suspension since then. We plan to resume operations of resin, aluminum and packaging units, which were not affected by fire, at Howrah Plant in the current financial year for which we are in the process of obtaining approvals from respective authorities. The Nasik Plant caught fire on 19th November, 2016 and the paint plant is not in operation since then. Before the fire broke out, the average production at the Nasik Plant was around 1400KL per month. However, we have restarted part of the Nasik plant which was not affected by fire i.e. Resin, Aluminum and Packaging Unit in April 2017 having production of around 150 KL per month. Though we have taken sufficient insurance cover against fire, the claim amount is yet to be settled by the insurance companies.

We have robust distribution network with 8000+ dealers / distributors, 54 sales depots and 4 regional distribution centers ("RDC") across all four zones in India. We also exports products to Middle East countries, Nepal, Bhutan and Afghanistan. In India, mostly the products manufactured in plants are first moved to RDC's for onward movement to sales depots and sales depots service the needs of vast network of dealers and customers. We also sell products directly to the customers, mainly in the industrial segment.

Key Clients and Projects Executed:

In Decorative paint segment – Our paint products have been used in painting of various prestigious buildings like AIIMS, Townships of major institutions like NTPC etc, various private residential and commercial buildings, religious institutions, educational institutions, Airports, Railway stations, Sugar Mills and many more.

In Industrial paint segment - Major customers include NTPC, JSW Energy Ltd, Jindal Saw, Jindal Steel and Power, Jindal Stainless Steel, Tata Projects, Essar Projects, FL Smith etc , Hindustan Tin Works, Tata Mettaliks, Tata Iron and Steels.

MANUFACTURING FACILITIES

- **Howrah Plant**
  Located at P.O. Danesh Shaikh Lane, Howrah, West Bengal. Howrah Plant is the Oldest Plant of our Company and it was first Commissioned in 1902. It was acquired by the current promoters in 1989. There was a fire incident in the Howrah Plant on 12th March, 2014 and the operations has been suspended since then. Our Company plans to restart Resin, Aluminum and packaging units at Howrah Plant in the current financial year which were not affected by fire. We are in the process of obtaining approvals from respective authorities.

- **Nasik Plant**
  Located at Village – Gonde Dumala, Tehsil: Igatpuri, Nasik. Plant came into operation in 1992 and has capacity of 23,400 KLPA. At this unit, the sales proportion of our Company generally comprised of 40% decorative and 60% of Industrial paints. The Plant caught Fire on 19th November, 2016 and the paint plant is not in operation since then. Before the fire broke out the average production at the Unit was around 1400 KL/ month. All the quality control standards are adhered to the outsourcing unit by our Company. We have restarted Resin, Aluminum and packaging unit at Nasik in April 2017 which is not affected by fire which is around 150 KL per month.

- **Sikandrabad Plant**
  Acquired in 2002. This plant is located at No.A-1 and A-2 Sikandrabad Industrial Area, Bulandshehar, Uttar Pradesh. It has an installed capacity of 21,600 KLPA, which is running at 90% utilization.

- **Gummidipoondi Tamil Nadu Plant**
  Located at Chinnapuliyar Village, Thiruvallur, and Chennai, is a Greenfield Project of our Company. The plant was decommissioned in April 2015 due to technical reasons. The re-commissioning of the plant is at advanced stage and the ramp up of the operations are likely to start in the second half of FY 2017-18. The capacity of the plant is 18,000 KLPA.

Subsequent to the fire at our Nasik Plant, in order to maintain our market share, and retain the customers, we are outsourcing some of the products. In the Financial year 2016-17 we outsourced/got job work done for products aggregating to 10,664 kilo litres as against 9,009 kilo litres in FY 2015-16. Going forward once the production at Greenfield Gummidipoondi Tamil Nadu Plant commences, we shall produce most of the products in house and thereby maximize the profitability. Though we may continue outsourcing of some of the products in order to further capitalize on brand and increase market share with better overall profitability.

As per the restated audited standalone financial statements for the Fiscal 2017, 2016 and 2015, our Company generated total income of Rs. 37032.07 lakhs, Rs. 40,367.81 lakhs and Rs. 43458.46 lakhs respectively and net profit (loss) after extra-ordinary items and tax of Rs. (726.37) lakhs., Rs. 544.53 lakhs, and Rs. (1160.22) lakhs. respectively.

PRODUCT PORTFOLIO

Decorative	**Industrial**
Luxury and Premium Interior Emulsions	Protective Coatings
Luxury and Premium Exterior Emulsions	Product finish
Premium Synthetic Enamels – High Gloss, Satin, Lustre finish	Marine Coatings
Wood finish	Packaging Coatings
Premium distemper	Commodity Protective Coatings
Under coatings	GI – Economy range of products
Primers for Metal, Wood and Concrete surfaces	
Wall Putty	
Cement paints	

Colorants and Strainers	
Economy Emulsions	
Economy Synthetic Enamels	

Our Company has launched new products in the premium and luxury segments for interior as well as exterior paint category, namely Signature – interior luxury emulsion, Superlac Stay Clean – interior super premium emulsion and Weather Pro+ an exterior super premium emulsion. These products have been highly appreciated by the traders, applicators and end consumers. With this change in product mix our Company is targeting to be in segments which are far more profitable than the commodities. Our Company has also upgraded the quality of entire range of its products & their packaging in order to have an edge over the competition.

Further our Company is also in the process of upgrading its tinting systems. SPL has tie up with M/s Corob India Private Ltd. (Finland Headquartered Company), AGS and all other major Tinting Machine providers. With the technologically advanced Tinting machines, SPL shall be able to provide vast range of shades in all its decorative range of products. Consumers can now choose from more than 2500 shades to suite their requirement and preferences.

Key Products Brands in Decorative Paint Segment are:

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

- **Superlac Stay Clean, Interior Super Premium Emulsion**
  Superlac Stay Clean is a water based premium emulsion which provides easy stain cleanability. It is formulated with advanced stain-guard technology which gives superior stain resistance to household stains such as tea, coffee, ketchup etc. It has water beading feature.

- **Weather PRO+, Exterior Super Premium Emulsion**
  Weather PRO+ is a water based super premium 100% acrylic exterior emulsion with silicon additives to safeguard walls from extreme weather conditions like rain, humidity and heat. It reflects sun rays to help reduce heat build-up, block damaging ultraviolet rays and prevents algal and fungal formation on wall. It has excellent dirt pick up resistance property.

- **Superlac, All surface premium Hi-Gloss Emulsion**
  Superlac Premium Hi Gloss Enamel is a modified Alkyd based premium Enamel offering a smooth high gloss finish. It has excellent coverage, high opacity and quick drying features which offers durability and long lasting finish. It gives mirror likes gloss and tough film. It is an eco-friendly product contains no lead, mercury, chromium or Arsenic.

- **Superlac, Advance Premium Interior Emulsions**
  Super Advance is a Copolymer based premium acrylic emulsion designed for lavish smoothness. It is formulated with special additives and fine pigments that impart rich mat finish with excellent follow, fast drying ability and stain resistance property. It has bacterial and fungus resistance.

- **Xtra Tough Premium Exterior Emulsions**
  Xtra Tough Preium Exterior Emulsions is a Pure Acrylic Emulsion technology with silicon additives. It's tough and durable film effectively withstands in all weather conditions.

Key Products in Industrial Paint Segment are:

- **Single Pack DT – Primer cum Topcoat**
  It is an industrial synthetic enamel. This is designed essentially for applications on steel substare. It has a fast drying properties for providing anti-corrosion and decorative finish and it also acts as a primer cum topcoat in modified Alkyd system in single coat system. It is an innovative product and create an entry barrier for competitors.

- **Low cost Zinc Silicate for Projects**
  A two component self-curing solvent based zinc ethyl siliocate primer for the protection of steel in marine, coatal and corrosive industrial environments. It gives excellent cathodic protection to steel by eliminating sub-film corrosion.

- **Ultra High Build Quick drying coal tar Epoxy**
  A two component epoxy amine cured Ultra high build coal tar epoxy paint giving excellent toughness and water resistance. The product performs extremely well in partial or intermittent or fully immersed condition for both fresh and saline water. It also withstands in corrosive conditions in soil immersion and also certain acidic and alkaline environments.

- **Solvent free Epoxy Coating For Pipe Industries**
  Solvent free epoxy paint has two components high build, heavy duty, 100% solid, zero VOC & special amine cured epoxy paint. Product is especially used to provide corrosion protection for internal steel pipe line used in potable water.it can be used on stell storage tanks used for crude oil, white oil & potable water. Product applied in new constructions as single coat for long term protection. EPIGARD SOLVENT FREE PROXY FINISH is formulated to reduce solvent emission in potable water & not to pick up any test or odor on storage in steel tank & pipes. Our product is certified by WRAS body of UK for the use in Potable water line.

- **Low cost Hi build Zinc Phosphate Primer**
  We have developed phenolic alkyd based low cost High build Zinc phosphate primer which can give high DFT in single coat at an affordable price to grab the market share at NMDC

Epoxy Phenolic Food Lacquer- Specially designed epoxy phonolic food lacquer for interior of food cans. Import substitution by indigenously developed lacquer

Paint Production Process

Paint is a mixture of finely ground solid particles formulated for specific end-use, which after application, adheres to the surface applied on with a continuous coating. This surface depending upon formulation of paints reflects light and hence the "gloss" of the paint which is its aesthetic value. Continuous coating resists direct contact with air and water with the surface and hence protects from erosion and corrosion.

Usually, tin containers are used for packing industrial paints and plastic containers are used for decorative paints. The products are packed in the following sizes – 1, 4, 10 & 20 liter containers. In case of solvent based paints, packing sizes can even be as small as 50 mL and 100 mL in specific cases. Generally, solvent based paint is applied on metal and wooden surfaces and water based paint is applied over cement surfaces. Water based paints can again be classified as interior and exterior paints. Distemper is low cost emulsion paints catering to the segment which is cost sensitive.

Our company has been manufacturing liquid based (both solvent based and water based) industrial and decorative paints in its existing production divisions. Paints in the form of powder (powder coating paints) are not manufactured. Industrial paints are generally solvent based varieties.

Ingredients required for paint Manufacturing:

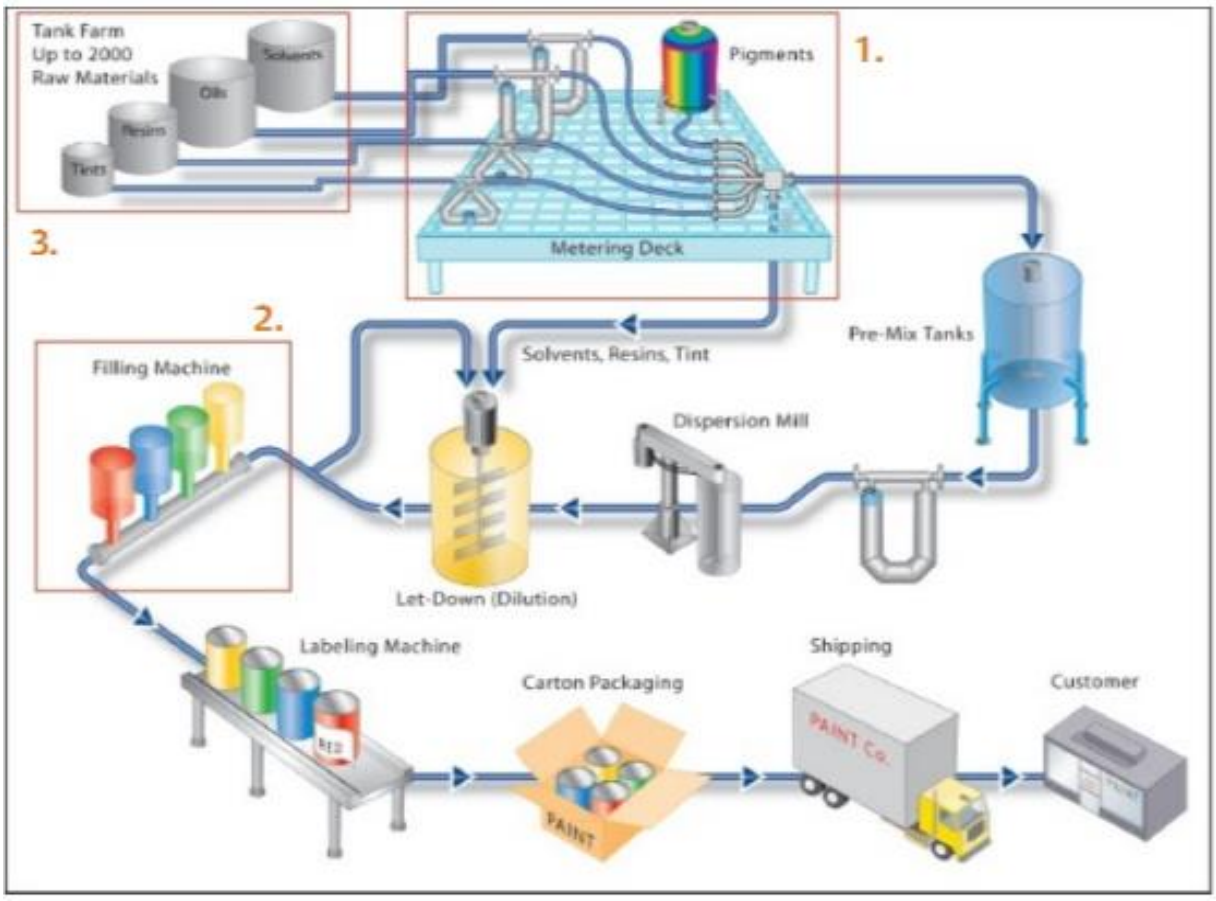
Major ingredients required are – pigments, extenders, binders and thinners. Besides, other ingredients used in small proportion are – tinters, driers, anti-flocculants, anti-setting agents and fungicides and several other items. Names of input materials and their functions can be described as follows:

Major ingredients and their functions	
Solvents/ Thinner	Major Solvents like Xylene, MTO and Butanol etc. are major ingredients of the Paint Industry. It is a Crude based product
Resins/Binders	Resins are the heart of paints and provide the major quality. Alkyd, Epoxy, Chlorinated Rubber, PU, Emulsions are the example of binders/resins.
Pigments	It gives colour and hiding. We have two type of pigment :In organic like TIO2 and organic : Thalocyanine blue
Extenders	It is a powder form substance. This is used along with the major raw material as filler. China clay and calcite are few extenders.
Small additives and their functions	
Tinter	To give paint the color as per customer's choice
Drier	To dry out the paint within a reasonable time .
Anti flocculent	To ensure that the paint particles do not coagulate on storage and remain finely dispersed
Anti settling	To ensure the paint particles do not settle down on storage and remain suspended
Fungicide	To resist any bacterial attach/fungus growth both prior and after the paint application

Sourcing of raw materials/Ingredients

We source our raw materials majorly from domestic manufacturers/suppliers. Titanium dioxide, zinc dust, cuprous oxide are the major imported raw materials. Our major raw material supliers includes Jinan Yuxing Chemical Co. Ltd - China, Mangalore Refineries Ltd (Mrpl), Piyanshu Chemicals Pvt. Ltd, Dow Chemicals, Grasim Industries etc.

Process of Manufacturing of Paints



The detailed process is as under:

- Step-1 – Paint making sheet depicting formulation, quantum of all raw materials to be used, process steps and controls is generated from in-house data base.
- Step-2 – based on this, solid raw materials are issued by material store department
- Step-3 – the powder material, as per formulation sheet is slurried with part of liquid raw materials and ground in size reduction as per process instruction.
- Step-4 - After the desired size of the solid particle is achieved, the ground slurry (mill base) is transferred to the mixing tanks where rest of the liquid raw materials and other ingredients are added as per paint making formulation. Grinding operation may be done in single and multi-stages.
- Step-5 – in-process quality checks are carried out at every process step.
- Step-6 –After production operation is completed, the final paint sample is forwarded to quality control department for approval. Only after the sample is checked and passed by quality control department, the paint is filled in containers as per requirement.
- Step-7 – The filled containers are stored in paint store for onward delivery to the market

Distribution

Shalimar Paints Limited, has a pan India marketing presence, along with its wide spread distribution network across geographies. Our Company has 54 sales depots and 4 regional distribution centers ("RDC"). Mostly RDC's are the first point of product transfer for our Company. But some customers in the industrial segment are directly serviced through the plants. Our Company has its RDCs at Coimbatore, Ghaziabad, Kolkata and Bhiwandi. From the RDCs the product are either further distributed to the depots or directly to the retailers/ end-customers. According to the market research report by leading sector consultant Nelsons in the Paint Industry, Painters and the dealer distributers are the biggest influencers impacting the sales growth of the industry. Hence our Company always places increasing focus on this.

Our Company is continuously working on expanding and further deepening its distribution network. At present our Company has a network of 3500+ regular customers/retailers.

Of the total 54 depots, our Company has 12 depots in East zone, 10 in West Zone, 22 in North Zone, and 10 in South Zone. Going forward our Company plans to increase depots in West and South zone in order to cater the south and western region post the reinstatement and production of the Nasik plant.

STRENGTHS

- Our company is present in paint industry for more than 114 years (being the oldest paint manufacturing company in India) and has the experience and know-how required for executing and operating paint manufacturing units. The management of our Company includes personnel who are well experienced in the cement industry.

- Our Company has presently running manufacturing facilities at Sikandrabad. Our Company is in the process of re-commissioning Greenfield manufacturing facility at Chennai, Tamil Nadu. This new Greenfield facility is expected to be ramped up in second half of 2017-18. We have two other manufacturing facilities at Nasik and Howrah.

- Our key strategic assets are: a) wide geographical spread of its supply chain network including manufacturing plants and depots, which helps service its dealers efficiently; and b) deep-rooted relationships with paint dealers in the industry. Both of these assets have been built over the decades

- Experienced management team
  Our company has experienced management team which is complemented by committed workforce. The management team comprises of professionals like Chartered Accountants, Lawyers, Master in Business Administration, Engineers etc.

R&D

Our Company has the benefit of getting enriched with new advanced / latest technologies in paints & resins. Our R&D Centre at Howrah got recognition in the year 1979 from Department of Scientific & Industrial Research (DSIR), Govt. of India. Presently, we have our R&D center at Nasik Plant which is full-fledged, well equipped, modern state of the art laboratory and pilot plant facilities on paints and resin and is manned by highly qualified, experienced and dedicated 19 professionals.

The Research and Development Department (R&D) is carrying out the following activities to fulfill short term and long term business goals of our company:

- Development of new products in decorative & industrial market sectors in line with market demand, meeting the functional & performance expectations from customers, at optimum cost & meeting EHS (Environment, Health & Safety).
- Continuous value engineering through various means such as design change, new / alternate raw materials use, vendor development.
- Up-gradation of existing products / process to improve quality, reduce cost, save batch cycle time, energy consumption & overall operational efficiency.
- In-house development of Resins & polymeric intermediates for paints.
- Import substitution & introduction of new local raw materials for development.
- Optimization of products & processes to minimize waste generation and address environmental & safety concerns.
- Establishment of industrial products at customer production line.
- Recommendation of coatings system for enhanced service life of national assets.
- Technical service to customer as & when required.
- Undertaking collaborative Research programme with vendors / institutes / academia
- Absorption / Adaptation of new technology – Technology transfer.

In Financial year 2016-2017, our expenses on R&D centre was Rs. 185 lakhs.

Our Quality Policy:
We are committed to ensure enhancement in customer satisfaction for our entire range of Paints & Allied products. This is being achieved by ensuring consistent product quality through close monitoring, measuring and corrective actions and by maintaining efficient operations through continual improvement in our quality management system.

CORPORATE SOCIAL RESPONSIBILITY
Our Company has CSR policy and CSR committee. However, in FY 2016-17 as we were in losses we did not have funds to spend on CSR activities.

EXPORTS
We are exporting our paints to various nearby countries like Afghanistan, Nepal, Bhutan and UAE. In the financial year 2016-2017 our export revenue was Rs. 379.52 lakhs FOB. We have no export obligation.

HUMAN RESOURCE
We have a structured policy to strengthen our human resources. Our Human resource policy includes various guidelines, including those pertaining to promotions, annual salary increments, recruitment, housing loans and medical benefits. The table stated below provides details of the employees of our Company (Excluding the employees on Contractual basis) as on March 31, 2017:

Category of employees	Managerial	Staff	Workers	Total
Employees on the payroll of the Company				
Head Office	26	28	0	54
Nasik Plant	10	46	37	93
Howrah Plant	0	2	17	19
Sikanderabad Plant	5	27	15	47
Gummidipoondi Tamil Nadu Plant	3	17	0	20
Depots	43	277	0	320
Sub-Total (a)	**87**	**397**	**69**	**553**
Employees of Subsidiary Companies				
Eastern Speciality Paints & Coatings Private Limited	0	0	0	0
Shalimar Adhunik Nirman Limited	0	0	0	0
Sub Total (b)	**0**	**0**	**0**	**0**
Total	**87**	**397**	**69**	**510**

In addition to above we have 24 employees on contract basis.

INSURANCE

Our operations are subject to risk inherent in the manufacturing such as work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment and environmental damage. We maintain insurance for a variety of risk including standard fire and special perils policy, burglary policy, vehicle insurance and import export transit policy which covers insurance of building including stocks, machinery and equipment used in our factory.

The summary of major insurance policies are as under :

(Rs. In lakhs)

Policy Head	**Total**
Burglary Policy	12,883.76
Director & Officer Liability	2,400.00
Erection Policy- Chennai	4,600.00
Fire Insurance- Depot Stock	9,499.86
Fire Insurance- Howrah	2,500.00
Fire Insurance- Nasik	7,100.00
Fire Insurance- Office	49.87
Fire Insurance- Sikandrabad	4,900.00
Fire Loss Of Profit- Sikandrabad	4,000.00
General Liability - Insurance	500.00
Marine Policy (Based on declaration of turnover)	30,000.00
Money Insurance	105.00
Others	12,001.90
Public Liability- Insurance	500.00
Vehicle Insurance	14.90
Grand Total	**91,055.29**

Collaborations

We have not entered into any collaborations with respect to our business.

COMPETITION

We face competition from existing paint manufacturers, both organized and unorganized. Further, as unorganized sector constitute significant portion of industry in India, the competition remains intense. The large players having higher industry share includes Asian Paints Limited, Berger Paints Limited, Kansai Nerolac Limited and Akzo Nobel Limited.

INTELLECTUAL PROPERTY

Trademarks

Our brand "Shalimar Paints" is registered under the Trademark Act 1999. We have approximately 23 other trademarks on our name for details see section titled "Government and Other Approvals" on page 206 of the Draft Letter of Offer.

OUR MANUFACTURING FACILITIES AND IMMOVABLE PROPERTIES

Our Registered office is situated at Fourth Floor, Stainless Centre, Plot No. 50, Sector 32, Gurugram which is on lease from group company M/s Jindal Stainless (Hisar) Limited. The lease is valid for eleven months upto January 09, 2018 at a monthly rental of Rs. 6,16,140/- per month plus service tax.

A. <u>DETAILS OF PROPERTIES OWNED BY US</u>

Sr. No	Document/s Executed	Name of the Seller	Details of Property	Area	Consideration Amount (Rs.)
1	Auction Sale Deed dated 31/03/2003	Pradeshiya Industrial and Investment Corporation of U.P. Ltd. (PICUP)	Plot No. A-1, A-2 Gopalpur Industrial Area, Sikandrabad, District Bulandshahar, U.P.	41242:80 Sq. Mtrs.	1,07,00,000

2	Long Term Lease Deed dated 03/07/2003 for 79 years w.e.f 26/04/2003	U.P. State Industrial Development Corporation Ltd. (UPSIDC)	Plot No. A-1, A-2 Gopalpur Industrial Area, Sikandrabad, District Bulandshahar, U.P.	41242:80 Sq. Mtrs.	Average annual rent of 25,476:60
3	Sale Deed dated 21/09/2000	Smt. Deepa Dilip Mhatre; Miss Manisha Dilip Mhatre	Plinth Area admeasuring 3609:15 Sq. Ft. bearing No. 23 & 24, at S.No.166, H.No.1 -Paiki, Village Rahnal, Talathi-Saja Purna, Taluka Bhiwandi, Distt. Thane, Maharashtra	3609.15 Sq.Ft	4,33,098
4	Conveyance Deed dated 25/09/2008	Haryana Urban Development Authority (HUDA)	Plot No.75, Sector -32, Gurgaon	4050 Sq.Mtrs.	5,06,25,000
5	Sale Deed dated 16/05/2008	Express Projects (P) Ltd.	Flat No. 517, 5th Floor, Block III, 6, Vaibhav Khand, Indirapuram	1790 Sq.Ft. Super Area & 1432 Sq.Ft. Covered Area	46,45,050
6	Sale Deed dated 24/01/2003	M/s Wellworth Developers	Unit Nos. 5098 to 5110 on 5th Floor in Wing "C" of 'Oberoi Garden Estates', Village Chandivali, Taluka Kurla, Mumbai Suburban Distt. Containg CTS Nos. 47 and 47/1 to 47/20.	admeasuring 7880 sq. ft. super area and 6304 sq. ft. built-up area	1,04,01,600
7	Sale Deed dated 27/03/1991	Group of persons as per the agreement	Gat No.121/126/127/ 132/133/134/141, Village Gonde Dhumala, Tal.-Igatpuri, Distt. Nasik	56530 Sq. Mtrs.	16,18,200
8	Sale Deed dated 11/12/2009	Mr. Jagadesh kumar Bhandari; Mr. Jitendra Kumar	Agricultural Land admeasuring 3.49 Acres at Survey Nos.1/1A of No.19 Chinna Puliyur Village, Gummidipoondi Taluk, Thiruvallur District, Tamil Nadu (Certified Dry land as per local revenue official and based on that town and county planning department has given permisiion for construction of factory thereon)	3.49 Acres	1,25,64,000
9	Sale Deed dated 11/12/2009	Mr. Jagadesh Kumar Bhandari; Mr. Jitendra Kumar; Mr. S. Subash Chand	Agricultural Land admeasuring 5.40 Acres, comprised in Survey nos.3/2 (3.32 acres), 3/1(1.50 acres),	5.40 Acres	58,82,750

			15/1A (0.28 acres), 15/1B (0.16 acres) and 15/1C (0.14 acres) of No.19 Chinna Puliyur Village, Gummidipoondi Taluk, Thiruvallur District, Tamil Nadu (Certified Dry land as per local revenue official and based on that town and county planning department has given permisiion for construction of factory thereon)		
10	68 Sale Deeds of different dates from 08/06/1926 to 10/05/1929	Governor of West Bengal, Secretary of State, Secretary for State of India in Council, India General Navigation Railway, Individuals and Group of persons.	68 land parcels in Mouza Goaberia and Thanamakua, Distt. Howrah, aggregating to 32.36 acres (out of which 4.96 acres of land furnished as security to Calcutta High Court in a pending legal matter)	32.36 acres	3,11,434

In addition to above properties, as on May 31, 2017, we have 65 properties on lease/license/rent from varous parties all over the country which are used used as our sales depots, office cum godowns or godowns.

KEY INDUSTRY REGULATIONS

Our Company is engaged primarily in the business of manufacture of paint in India. We are regulated by a number of central and state legislations. Additionally, our functioning requires the sanction of concerned authorities, at various stages, under relevant legislations and local by-laws.

KEY REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company and its business. The information detailed in this chapter, is based on the current provisions of Indian laws which are subject to amendments, changes and modifications. The information detailed in this chapter has been obtained from sources available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

INDUSTRY SPECIFIC LEGISLATIONS

The Explosives Act, 1884 and the Explosives Rules, 2008
This Act regulates the manufacture, possession, use, sale, transport and importation of the explosives. The Central Government may, for any part of India make rules consistent with this Act to regulate or prohibit, except under and in accordance with the conditions of a license granted as provided by those rules, the manufacture, possession, use, sale, transport, import and export of explosives, or any specified class of explosives. Moreover, the Central Government may also from time to time, by notification, prohibit, either absolutely or subject to conditions, the manufacture, possession or importation of any explosive which is of so dangerous a character that, in the opinion of the Central Government, is expedient for the public safety to issue the notification.

Petroleum Act, 1934 ("Petroleum Act") and Petroleum Rules, 2002 ("Petroleum Rules")
The Petroleum Act regulates the import, transport and storage of petroleum. The Petroleum Rules require every person importing, transferring or storing petroleum to do so only in accordance with a license granted under the Petroleum Rules. Every person desiring to obtain a license to import and store petroleum is required to submit to the licensing authority an application for registration in the prescribed format within the specified time limit. On expiry of a license, the applicant is required to make an application for renewal of license. A license may be renewed by the authority empowered to grant such a license, provided that a license which has been granted by the Chief Controller may be renewed without alteration, by a Controller duly authorized by the Chief Controller. Pursuant to Section 23 of the Petroleum Act, whoever contravenes any of the provisions of the Petroleum Act, shall be punishable with simple imprisonment which may extend to one month, or with fine which may extend to ₹ 1,000 or with both.

Solvent Reffinate and Slop (Acquisition, Sale, Storage and Prevention of Use in Automobiles) Order, 2000
This order puts restriction on sale and use of solvents, reffinates, slops and other products. This order lays down detailed provisions and procedure for obtaining license, to acquire, store or sell solvent, raffinate, slops or their equivalent and other products issued by the State Govt. or the District Magistrate or any other officer authorized by the Central/State Govt. According to this order no person shall either use or help in any manner the user of solvents, raffinated, slops or their equivalent or other products. Provided that nothing in this Order shall preclude the use of such products for research purposes on automobiles.

Fire prevention and life safety measures
We are subject to the fire control and safety rules and regulations framed by the state governments of Maharashtra, Uttar Pradesh, West Bengal and Tamil Nadu where we have our factories and other states where we own, operate and maintain establishments.

The Indian Boilers Act, 1923
Under the provisions of this Act, an owner of a boiler is required to get the boiler registered and certified for its use. This Act also provide for penalties for illegal use of boilers.

ENVIRONMENT RELATED LEGISLATIONS

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The Pollution Control Boards ("**PCBs**") are responsible to ensure that industries are functioning in compliance with the standards prescribed. The PCBs have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be kept renewed.

Environment Protection Act, 1986 ("EPA")
This Act has been enacted with an objective of protection and improvement of the environment and for matters connected therewith. As per this Act, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the Act, including the power to direct the closure, prohibition or regulation of any industry, operation or process.

Air Prevention and Control of Pollution Act, 1981 ("Air Pollution Act")
This Act aims to prevent, control and abate air pollution, and stipulates that no person shall, without prior consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. The central pollution control board and state pollution control boards constituted under the Water Pollution Act perform similar functions under the Air Pollution Act as well. Not all provisions of the Air Act apply automatically to all parts of India, and the state pollution control board must notify an area as an "air pollution control area" before the restriction under the Air Act applies**.**

Water Prevention and Control of Pollution Act, 1974 ("Water Pollution Act")
This Act aims to prevent and control water pollution and to maintain or restore water purity. The Water Pollution Act provides for one central pollution control board, as well as various state pollution control boards, to be formed to implement its provisions. Under the Water Pollution Act, any person intending to establish any industry, operation or process or any treatment and disposal system likely to discharge sewage or other pollution into a water body, is required to obtain the prior consent of the relevant state pollution control board.

Water (Prevention & Control of Pollution) Cess Act, 1977 ("Water Cess Act") and Water (Prevention & Control of Pollution) Cess Rules, 1978 ("Water Cess Rules")
This Act has been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the Central and State PCB for the prevention and control of water pollution constituted under the Water Pollution Act. The Water Cess Rules have been notified under section 17 of the Water Cess Act and provide, inter alia, for the standards of the meters and places where they are to be affixed and the furnishing of returns by consumers.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules")
These Rules define the term "hazardous waste" and any person who has control over the affairs of a factory or premises or any person in possession of the hazardous or other waste is classified as an "Occupier". In terms of the Hazardous Waste Rules, Occupiers have been, inter alia, made responsible for safe and environmentally sound handling of hazardous wastes generated in their establishments and are required to obtain license/ authorisation from the respective State PCB for generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or similar activities in relation to hazardous waste. The Hazardous Waste Rules also prescribe the hierarchy in the sequence of priority of prevention, minimization, reuse, recycling, recovery and co-processing. Further, State PCBs are mandated to prepare an inventory of the waste generated, waste recycled, recovered and utilized including co-processed, re-exported and disposed, based on annual returns received from occupiers and operators, and submit it to the Central Pollution Control Board on an annual basis.

Public Liability Insurance Act, 1991
This Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability

Insurance Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

LAWS RELATING TO INTELLECTUAL PROPERTY RIGHTS

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for the protection of patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

The Trademarks Act, 1999

In India, trademarks enjoy protection under both statutory and common law. Indian trademark law permits the registration of trademarks for goods and services. The Trademarks Act governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. Certification marks and collective marks can also be registered under the Trademarks Act. An application for trademark registration may be made by individual or joint applicants by any person claiming to be the proprietor of a trade mark, and can be made on the basis of either use or intention to use a trademark in the future. Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration has to be restored. While both registered and unregistered trademarks are protected under Indian
Law, the registration of trademarks offers significant advantages to the registered owner, particularly with respect to proving infringement. The Trademark (Amendment) Act, 2010 has been enacted by the Government of India to amend the Trademarks Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries, and to empower the Registrar of Trademarks to do so. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to bring the law generally in line with international practice.

Copyright Act, 1957

This Act protects literary and dramatic works, musical works, artistic works including maps and technical drawings, photographs and audiovisual works (cinematograph films and video).

Patents Act, 1970

This Act governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognise product patents as well as process patents. In addition to the broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act stipulates that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The Patents Act prohibits any
person resident in India from applying for patent for an invention outside India without making an application for the invention in India. The term of a patent granted under the Patents Act is twenty years from the date of filing of the application for the patent.

EMPLOYEE RELATED LEGISLATIONS

Factories Act, 1948

Factories Act defines a ‘factory’ to cover any premises which employs ten or more workers on any day of the preceding twelve months and in which manufacturing process is carried on with the aid of power or any premises where at least twenty workers are employed in a manufacturing process. Each state government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that an occupier of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. The Factories Act also provides for imposition of fines and imprisonment of the manager and occupier of the factory in case of any contravention of the provisions of the Factories Act.

Others Employees regulations
Certain other laws and regulations that may be applicable to our Company in India include the followings:

- Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA")
- The Child and Adolescent Labour (Prohibition & Regulation) Act, 1986 and The Child and Adolescent Labour (Prohibition & Regulation) Amendment Act, 2016
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act")
- The Maternity Benefit Act, 1961 and The Maternity Benefit (Amendment) Act, 2017
- Industrial Disputes Act, 1947 ("ID Act")
- Workmen's Compensation Act, 1923
- The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
- The Employees State Insurance Act, 1948 ("ESI Act")
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("PF Act")
- Payment of Gratuity Act, 1972
- Payment of Bonus Act, 1965
- Minimum Wages Act, 1948
- The Payment of Wages Act, 1936

TAXATION & DUTY LAWS

The Central Excise Act, 1944 ("Excise Act")
The Central Excise Act, 1944 ("Central Excise Act") consolidates and amends the law relating to Central Duties of Excise on goods manufactured or produced in India. Excisable goods under the Act means goods specified in the Schedule to the Central Excise Tariff Act, 1985 as being subject to duty of excise. Factory means any premises, including the precincts thereof, wherein or in any part of which excisable goods are manufactured, or wherein or in any part of which any manufacturing process connected with the production of these goods being carried on or is ordinarily carried out. Under the Act a duty of excise is levied on all excisable goods, which are produced or manufactured in India as and at the rates, set forth in the First Schedule to the Central Excise Tariff Act, 1985.

The Central Sales Tax Act, 1956 ("Central Sales Tax Act")
Central Sales Tax Act 1956 was enacted by the Parliament and received the assent of the president on December 21, 1956. Imposition of tax became effective from July 01, 1957. It extends to the whole of India. Every dealer who makes an inter-state sale must be a registered dealer and a certificate of registration has to be displayed at all places of his business. There is no exemption limit of turnover for the levy of central sales tax. The tax is levied under this act by the Central Government but, it is collected by that state government from where the goods were sold. The tax thus collected is given to the same state government which collected the tax. In case of Union Territories, the tax collected is deposited in the consolidated fund of India.

Value Added Tax, 2005
Value Added Tax (VAT) is charged by laws enacted by each State on sale of goods affected in the relevant States. VAT is a multi-point levy on each of the entities in the supply chain with the facility of set-off of input tax that is the tax paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. VAT is not chargeable on the value of services which do not involve a transfer of goods. Persons liable to pay VAT must register and obtain a registration number from Sales Tax Officer of the respective State. Periodical returns are required to be filed with the VAT Department of the respective States by the Company.

Service Tax Act, 1994
Service tax is charged on taxable services as defined in Chapter V of Finance Act, 1994, which requires a service provider of taxable services to collect service tax from a service recipient and pay such tax to the Government. In accordance with Rule 6 of Service tax Rules the assesses is required to pay Service tax in TR 6 challan by fifth of the month immediately following the month to which it relates. Further under Rule 7 (1) of Service Tax Rules, the company is required to file a half yearly return in Form ST 3 by twenty fifth of the month immediately following the half-year to which the return relates.

Income Tax Act, 1961
The government of India imposes an income tax on taxable income of all persons including individuals, Hindu Undivided Families (HUFs), companies, firms, association of persons, body of individuals, local authority and any other artificial judicial person. Levy of tax is separate on each of the persons. The levy is governed by the Indian Income Tax Act, 1961. The Indian Income Tax Department is governed by CBDT and is part of the Department of Revenue under the Ministry of Finance, Govt. of India. Income tax is a key source of funds that the government uses to fund its activities and serve the public. The quantum of tax determined as per the statutory provisions is payable as: a) Advance Tax; b) Self-Assessment Tax; c) Tax Deducted at Source (TDS); d) Tax Collected at Source (TCS); e) Tax on Regular Assessment.

OTHER APPLICABLE LAWS

Shops & Establishments Act of various states
Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered under the respective legislations. These legislations regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

The Legal Metrology Act, 2009 ("Legal Metrology Act")
The Legal Metrology Act came into effect from April 1, 2011 replacing the Standard Weights and Measure, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. It was enacted to establish and enforce standards of weights and measures and to regulate trade and commerce in weights and measures and other goods which are sold or distributed by weight, measure or number. Under the Legal Metrology Act, all the manufacturers of packaged merchandise are required to obtain a license from Controller, Legal Metrology, Government of India. Further, a company may also nominate a director who would, along with the company, be held responsible for any act resulting in violation of provisions of the Legal Metrology Act. The Legal Metrology (Packaged Commodities) Rules, 2011 framed under the Legal Metrology Act lay down specific provisions applicable to packages intended for retail sale, wholesale packages and for export and import of packaged commodities and also provide for registration of manufacturers and packers.

The Legal Metrology (Packaged Commodities) Rules, 2011
These rules seek to establish and enforce standards of weights and measures, regulates trade and commerce in weights, measure and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. Unless any package in which the commodity is pre-packed bears thereon, or on a label in accordance to this rules is securely affixed thereto, no person can pack or cause or permit to be pre-packed any commodity for sale and distribution.

Consumer Protection Act, 1986
The Consumer Protection Act, 1986 ("**COPRA**") aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services, price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provides for a three tier consumer grievance redressal mechanism at the national, state and district levels. Non compliance of the orders of these authorities attracts criminal penalties.

REGULATION OF IMPORTS & EXPORTS AND FOREIGN INVESTMENT

Quantitative restrictions on imports into India were removed with effect from April 1, 2001, as per India's World Trade Organization ("**WTO**") obligations, and imports of capital goods and automotive components were placed under the open general license category.

Foreign Trade (Development and Regulation) Act, 1992 ("FTA")
The FTA seeks to increase foreign trade by regulating imports and exports to and from India. The FTA read with the Indian Foreign Trade Policy, 2015-20 provides that a person or company can make no exports or imports without having obtained an importer exporter code number unless such person or company is specifically exempt. An application for an importer exporter code number has to be made to the Office of the Joint Director General of Foreign Trade, Ministry of Commerce. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories.

Foreign Trade Policy 2015-20 ("EXIM Policy")
Under the Foreign Trade Policy, the GoI is empowered to periodically formulate the EXIM Policy and amend it thereafter whenever it deems fit. All exports and imports have to be in compliance with such EXIM Policy. The EXIM Policy provides for certain schemes for the promotion of export of finished goods and import of inputs.

Customs Regulations
All imports in the country are subject to duties under the Customs Act, 1962 at rates specified under the Customs Tariff Act, 1975. However, the GoI has the power to exempt certain specified goods from excise duty, by notification.

Export Promotion Capital Goods Scheme (the "EPCG Scheme")
The EPCG Scheme under the Foreign Trade Policy 2015-20 allows import of capital goods for pre production, production and post production at zero customs duty. Import under EPCG Scheme shall be subject to an export obligation equivalent to 6 times of duty saved on capital goods, to be fulfilled in 6 years reckoned from date of issue of Authorisation. The EPCG Scheme covers manufacturer exporters with or without supporting manufacturer(s)/ vendor(s), merchant exporters tied to supporting manufacturer(s) and service providers.

Merchandise Exports from India Scheme ("MEIS")
The objective of Merchandise Exports from India Scheme (MEIS) is to offset infrastructural inefficiencies and associated costs involved in export of goods/products, which are produced/ manufactured in India, especially those having high export intensity, employment potential and thereby enhancing India's export competitiveness. Exports of notified goods/ products with ITC[HS] code, to notified markets as listed in the Scheme, shall be rewarded under MEIS.

Duty Drawback Scheme
The duty drawback scheme is an option available to exporters. Under this scheme, exporter of goods is allowed to take back refund of money to compensate him for excise duty paid on the inputs used in the products exported by him. It neutralizes the duty impact in the goods exported. Relief of customs and central excise duties suffered on the inputs used in the manufacture of export product is allowed to exporters. The admissible duty drawback amount is paid to exporters by depositing it into their nominated bank account. Section 75 of the Customs Act, 1962 and Section 37 of the Central Excise Act, 1944, empower the Central Government to grant such duty drawback. Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 ("the Drawback Rules") have been framed outlining the procedure to be followed for the purpose of grant of duty drawback (for both kinds of duties suffered) by the customs authorities processing export documentation.

Regulations regarding foreign investment
Foreign investment in Indian securities is governed by the provisions of the Foreign Exchange Management Act, 1999 ("**FEMA**") read with the applicable FEMA Regulations. FEMA replaced the erstwhile Foreign Exchange Regulation Act, 1973. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the government approval route, depending upon the sector in which foreign investment is sought to be made. The Department of Industrial Policy and Promotion ("**DIPP**"), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA Regulations. In case of any conflict, the FEMA Regulations prevail. Therefore, the regulatory framework, over a period of time consists of acts, regulations, press notes, press releases, clarifications among other amendments. The DIPP issued the consolidated FDI policy circular of 2016, dated June 7, 2016 (the "**FDI Circular**") which consolidates the policy framework on FDI issued by DIPP, in force on June 6, 2016 and reflects the FDI Policy as on June 7, 2016. The FDI Circular has been in effect from June 7, 2016. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP.
Capital instruments are required be issued within a period of 180 days from the date of receipt of the inward remittance received from non-resident investor. In the event that, the capital instruments are not issued within a period of 180 days from the date of receipt of the inward remittance, the amount of consideration so received is required to be refunded immediately to the non-resident investor by outward remittance. Non-compliance with the aforementioned provision shall be considered as a contravention under FEMA and would attract penal provisions.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally incorporated as Shalimar Paint, Colour and Varnish Company Private Limited under the Indian Companies Act, 1882 with the Registrar of Companies, on December 16, 1902. The name of our Company was changed to Shalimar Paint, Colour and Varnish Company Ltd and fresh Certificate of Incorporation dated September 11, 1956 was issued by the Registrar of Companies West Bengal. The name of our Company was once again changed to Shalimar Paints Limited and fresh Certificate of Incorporation dated September 18, 1963 was issued by the Registrar of Companies West Bengal.

Our Registered Office of the Company is presently situated at Stainless Centre, 4th Floor, Plot No. 50, Sector 32, Gurugram Haryana- 122 001. The Registered Office was shifted from Howrah to sector 44, Gurugram, Haryana on September 01, 2016. The registered office was further shifted to the current address with effect from February 10, 2017. The Corporate Identification Number of our Company is L24222HR1902PLC065611.

In 1989, our company was acquired by the present promoters. Our Promoters are Mr. Ratan Jindal and M/s Hind Strategic Investments, Mauritius.

The first plant of the Company was commissioned in Howrah in 1902. This plant met fire incident on March 12, 2014 and the operation here are suspended since then. The second plant at Igatpuri, Nasik was commissioned in 1992 and has a capacity of 23,400 KLPA. A fire incident occurred at Nasik Plant on November 19, 2016 and is not in operation since then. The third plant at Sikandrabad, District Bulandshahar Uttar Pradesh was acquired by us in financial year 2002- 2003 with a capacity of 21,600 KLPA. Our company is in the process of setting up a plant at Chennai, with a capacity of 18,000 KLPA.

The Equity Shares of our Company are presently listed on BSE & NSE.

Major events in the history of Our Company since inception

Year	Key events, milestones and achievements
In 1989	Our Company was acquired by Mr. Ratan Jindal and M/s Hind Strategic Investments.
In 1992	Nasik Plant was Commissioned
In 2002	Acquired American Paints unit in Sikandrabad Uttar Pradesh.
In 2009	Acquired Land for Goomidipoondi, Tamil Nadu Plant
In 2012	Split of equity shares from face value of Rs. 10/- to Rs. 2/-.
In 2014	Fire incident at Howrah on 12th March, 2014
In 2015	Won the Abby Award (Goafest) by AAAI for creative excellence in advertising.
In 2016	New products launched in 2016 namely Signature – interior luxury emulsion, Superlac Stay Clean – interior super premium emulsion and Weather Pro+ an exterior super premium emulsion
In 2016	Fire incident at Nasik Plant on 19th November, 2016 and the paint plant is not in operation since then.
In 2017	The gates of the Howrah Plant have been reopened and we are in the process of obtaining required Statutory approvals to partially restart the plant.

Main Objects

The Main objects as per the Memorandum of Association of the Company are as under:

a) To acquire by purchase the business, land, jetty, buildings, plant, machinery, furniture, stocks, goodwill and other effects of the paint, colour, varnish and composition manufacturing business, carried on by The Shalimar Works Limited, at Shalimar and Goabaria, in the District of the 24 Pargunnahs, in the Province of Bengal, for such price as may be mutually agreed upon.

b) To carry on the trade or business of paint, colour, varnish, composition, oil, soap, candle and chemical manufacturer, painters of ships, steamers and other vessels and to buy, sell, manufacture and deal in oil and materials for the manufacture of paints of all kinds, colour, varnish, composition, soap, candles and chemicals.

(bb) To carry on business as Manufacturers, Dealers, Importers, Exporters and Agents of such consumer, industrial, marine and agricultural products and commodities as are synergetic and/ or add economic value to company operations.

c) To build, purchase, reclaim, charter, lease, hire or otherwise acquire, equip, maintain, improve and repair land, buildings, workshops, warehouses, launches, cargo boats, floating godowns, piers, jetties, wharves,

landing places, roads, railways, tramways, docks ponds, canals, mines and other buildings and works, calculated, directly or indirectly, to advance the interests of the Company, and to contribute to the expense of constructing, maintaining and improving any such works.

Number of Shareholders
As on June 29, 2017, there are 12,458 shareholders in the Company.

Subsidiary Companies
We have 2 Subsidiary Companies, namely Eastern Speciality Paints & Coatings Private Limited; and Shalimar Adhunik Nirman Limited. The brief summary of the said companies are as under:

1. Eastern Speciality Paints & Coatings Private Limited

Eastern Speciality Paints & Coatings Private Limited was incorporated on February 24, 2009 under the Companies Act, 1956 with the Registrar of Companies, West Bengal. Subsequently the registered office of the Company was shifted from West Bengal on October 25, 2016 to Gurugram. Presently, the registered office is situated at Stainless Centre, 4th Floor, Plot No. 50, Sector 32, Gurugram -122 001. The CIN of the company is U24240HR2009PTC066208. The main objects of the Company is to carry on the trade or business as manufacturers, Dealers, Importers and Exporters of Paint color, varnish, oil, soaps etc. Presently there are no business operations by the Company. The equity shares of Eastern Speciality Paints & Coatings Private Limited are not listed on any stock exchange.

Board of Directors
- Mr. Surender Kumar
- Mr. Sandeep Gupta

Shareholding Pattern

Name	No. of Equity Shares	% of Shareholding
Shalimar Paints Limited	49,994	99.99
Punit Kumar Jain*	1	0.00
Hemant Kaushik*	1	0.00
Sanat Kumar Pal*	1	0.00
Gautam Verma*	1	0.00
Trisit Sur*	1	0.00
Praksh Poddar*	1	0.00
Total	**50,000**	**100**

*****Nominees of Shalimar Paints Limited

Financial performance
The audited financial results of Eastern Speciality Paints & Coatings Private Limited for the financial years ended March 31, 2017, 2016 and 2015 are set forth below.

(₹ in Lakhs)

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Revenue	-	-	-
Net profit / (loss) after tax	-	-	-
Equity Share Capital	5.00	5.00	5.00
Preference Share Capital	-	-	-
Reserves & Surplus	-	-	-
Net Worth	5.00	5.00	5.00
Book Value (in Rs.) of face valueRs. 10 each	10.00	10.00	10.00

2. Shalimar Adhunik Nirman Limited

Shalimar Adhunik Nirman Limited was incorporated on October 04, 2007 under the Companies Act, 1956 with the Registrar of Companies, NCT Delhi & Haryana with a name and style of Shalimar Adhunik Nirman Private Limited. Subsequently, the company was converted into public company and fresh certificate of incorporation was issued on June 27, 2008. The registered office of the company is situated at 9A, Connaught Place above ICICI Bank New Delhi - 110001. The CIN of the company is U24220DL2007PLC168944. The Company has the business to acquire, purchase, sell, own, manage, any type of land and property. The equity shares of Shalimar Adhunik Nirman Limited are not listed on any stock exchange.

Board of Directors

- Mr. Surender Kumar
- Mr. Sandeep Gupta
- Mr. Anil Kumar Pandey

Shareholding Pattern

Name	No. of equity shares	% of shareholding
Shalimar Paints Limited	4,99,985	100.00
Punit Kumar Jain	10	0.00
Hemant Kaushik	1	0.00
Sanat Kumar Pal	1	0.00
Gautam P Verma	1	0.00
Trisit Sur	1	0.00
Praksh Poddar	1	0.00
Total	**5,00,000 ***	**100.00**

***50,000 Equity shares of Rs. 10/- each are fully paid up and 4,50,000 equity shares of Rs. 10/- each are Rs. 1/- paid up each.

List of Preference Shareholders

Name	No. of equity shares	% of shareholding
Shalimar Paints Limited	50,000	100.00
Total	**50,000**	**100.00**

Financial performance

The audited financial results of Shalimar Adhunik Nirman Limited for the financial years ended March 31, 2017, 2016 and 2015 are set forth below.

(₹ in Lakhs)

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Revenue	0.04	-	-
Net profit / (loss) after tax	(14.90)	(2.21)	-
Equity Share Capital	9.50	9.50	9.50
Preference Share Capital	50.00	50.00	50.00
Reserves & Surplus	(17.11)	(2.21)	-
Net Worth	(7.61)	7.29	9.50
Book Value (in Rs.) of face value Rs.10 each	-	7.67	10.00

Shareholders Agreement

We have not entered into any shareholders agreement.

Other Agreements

We enter into agreements in the normal course of business for maintenance of equipments, plant and machinery and also like rent of warehouses, C&F, Transporter etc. Further, We have entered into agreements for maintenance of equipments with Hero Products India Pvt Ltd, Par Enterprises Private Limited, Corob India Private Limited etc.

Non-Compete Agreement

We have not entered into any non-compete agreement.

Joint Venture
As on date of filing of this Draft letter of Offer, we do not have any Joint Ventures.

Strategic Partners
As on date of filing of this Draft letter of Offer, we do not have any Strategic Partners.

Financial Partners
As on date of filing of this Draft letter of Offer, we do not have any Financial Partners.

Except as above and "Material Contracts and Documents for Inspection" mentioned on page 304 of the Draft Letter of Offer, there are no other material agreements or contracts, which have been entered into by us within a period of 2 years prior to the date of the Draft Letter of Offer, and which are subsisting as on date.

OUR MANAGEMENT

Our Company functions under the Control of Board of Directors. The day-to-day affairs of our Company are looked after by qualified key personnel under the supervision of Mr. Surender Kumar, Managing Director. Presently we have 4 Directors on our Board. The constitution of the Board is as under:

Sr. No	Name, Father's Name, Designation, Address, Occupation, Date of Appointment, Tenure and DIN	Age (in years)	Nationality	Directorship / Partnership in other entities (including foreign companies)
1.	**Mr. Gautam Kanjilal** Director S/o Mr. Nirmal Chandra Kanjilal **Address**: I – 1698, Chittaranjan Park, New Delhi – 110 019 **Occupation**: Ex-Banker **DIN**: 03034033 **Date of Appointment**: November 07, 2015. **Chairman** w.e.f November 07, 2016 **Term**: November 06, 2018	68	Indian	• Jindal Stainless Limited • Optiemus Infracom Limited • Jindal Coke Limited
2.	**Mr. Surender Kumar** Managing Director & CEO S/o Mr. Lakhmi Chand Bhatia **Address**: D 084, The ICON Apartments, DLF Phase 5, Gurugram – 122 002 **Occupation**: Service **DIN**: 00510137 **Date of Appointment as Director**: May 30, 2015 **Appointment as Managing Director & CEO:** August 12, 2016 **Term**: August 11, 2019	52	Indian	• Shalimar Adhunik Nirman Limited • Eastern Speciality Paints & Coatings Private Limited
3.	**Mr.** Alok Perti **Director** S/o Mr Onkar Nath Perti **Address**: House No. 552, Shriniketan CGHS, Plot No. 1, Sector 7, Dwarka, Delhi 110 075 **Occupation**: Professional **DIN**: 00475747 **Date of Appointment**: May 24, 2017 **Term**: May 23, 2020	65	Indian	• IIFCL Projects Limited
4.	**Ms. Pushpa Chowdhary** Director D/o Mr. Sarb Deo Chowdhary **Address**: 111, Himvarsha Apartment 103, IP Extension, Delhi 110 092 **Occupation**: Service **DIN**: 06877982 **Date of Appointment**: May 30, 2014 **Term**: September 25, 2019	45	Indian	• Jindal United Steel Limited

Brief Biography of our Directors:

Mr. Gautam Kanjilal, aged 68 years is a Non-Executive Independent Director holding post graduate degree in Economics. Started his career as a Probationary Officer in July 1972 at State Bank of India. In his more than 37 years of service in SBI, he handled many important administrative and business assignments covering a large matrix of banking operations, including credit management and forex. He was also posted at the corporate headquarters of SBI Capital Markets Ltd, the merchant banking arm of SBI, where his responsibilities covered project finance, debt syndication and handling capital issues. Among the important assignments he subsequently held in SBI were as AGM (Planning), Kolkata, Dy. General Manager (Accounts & Compliance) at SBI's Corporate Centre, Mumbai, Chief Executive Officer of SBI's New York operations, General Manager (Mid-Corporate), Kolkata and lastly as Chief General Manager, Delhi Circle, from which post he superannuated in September 2009.

Mr. Surender Kumar, aged 52 years Managing Director and CEO, of our Company has more than two decades of rich experience out of which he spent close to 15 years at Akzo Nobel, a global paints and speciality chemical major. He is a qualified Chartered Accountant and a keen sports enthusiast. He is a leader focused on talent management and customer strategies, R&D and innovation, reducing non-value add activities, thereby increasing the productivity of employees. He has keen understanding of Supply Chain Management.

Mr. Kumar is an executive with domestic and international experience in operations, finance, P&L management, multichannel product distribution and marketing. A result oriented and decisive leader with proven success in new market identification and strategic positioning of B2C and B2B businesses. He has implemented a lot of efficiency improvement initiatives. Mr. Kumar heads the overall operations including sales & marketing of our company and is responsible for steering the growth of the organization as it continues to be positioned as a strong player in the Indian paints industry.

Mr. Alok Perti, aged 65 years is a Non-Exceutive Independent Director holds a master's degree in physics from the University of Allahabad. Mr. Perti has also completed a master's course in Social Planning & Policy in Developing Countries from the London School of Economics and Political Science. He joined Indian Administrative Service in 1977 and has worked in various capacities with the Central Government and the Assam Government. He was on the board of several Defence PSUs as official director when is worked as Joint Secretary in Ministry of Defence. He was also Official director on the board of CIL and NLC when he was serving in the Ministry of Coal. He was also chairman of the Expert Appraisal Committee of the Ministry of Environment and Forest for Hydro-electric and river projects. Apart from this he is also the Director General of the Indian Association of Ammonium Nitrate Manufacturers. Presently he is on the board of IIFCL Projects Ltd, which is a PSU.

Mrs. Pushpa Chowdhary, aged 45 years is Non- executive Director has over 19 years of experience in creating sales leadership and turnaround for new and underperforming product categories. She has diverse experience in sales, marketing and training with Infrastructure, Service, Consumer Electronics industry. She is a gold medalist in executive HRM from XLRI and MBA is sales from IGNOU. She is also an ICC-UK-certified international coach, NLP-certified practitioner, FIRO-B -certified practitioner and California Institute certified counselor.

Relationship between Directors

None of our Directors are related to each other. We further confirm that:

- we have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which our Director were selected as Director or member of Senior Management.
- There are no service contracts executed between our Company and any of our Directors providing for benefits upon termination of employment.

Further none of our Directors were either director on board of listed companies that have been delisted from any Stock Exchanges or hold any current and past directorship(s) during the preceding five years in listed companies whose shares have been or were suspended from being traded on BSE or NSE.

Borrowing Powers of our Board of Directors

The members of our Company has passed a resolution in Annual General Meeting on September 26, 2014, authorizing the Board of Directors of our Company to borrow from time to time all such monies as they may deem necessary for the purpose of business of our company notwithstanding that money borrowed by our company together with the monies already borrowed by our company may exceed the aggregate of the paid up

capital and its free reserves provided that the total amount upto which monies be borrowed by the Board of Directors shall not exceed the sum of Rs. 400 Crores at any point of time.

Remuneration of the Directors

The significant terms of Mr. Surender Kumar appointment as the Managing Director, as per the Resolution passed by the members in their Annual General Meeting held on September 28, 2016 are as follows:

Tenure of Appointment	Appointed as Managing Director from August 12, 2016 to August 11, 2019
Salary Perquisites and Benefits	Basic Salary 2,88,285/- per month Perquisites HRA – Rs. 1,44,143/- per month Special/Other Allowances – Rs. 3,74,674/- per month Performance linked Commission (Incentive) Rs. 20,53,350/- per annum

Remuneration paid to Directors

The Non-executive Directors of our Company are eligible for payment of sitting fees of Rs. 20,000 (Rupees Twenty Thousand only) for every meeting of the Board and Rs. 10,000 (Rupees Ten Thousand Only) for every meeting of the Audit Committee and Nomination and Remuneration Committee attended by them. The detail of sitting fees paid to Non-Executive Directors during the financial year ended March 31, 2017 is as under:

Name of the Director / Member	**Sitting Fees paid for attending meetings of (in ₹)**		
	Board	**Audit Committee**	**Remuneration and Nomination**
Mr. Ratan Jindal	40,000	-	-
Mr. Rajiv Rajvanshi	60,000	30,000	30,000
Mr. Gautam Kanjilal	80,000	40,000	40,000
Ms. Pushpa Chowdhary	60,000	30,000	30,000
Mr. Girish Jhunjhnuwala	20,000	-	-
Total	**2,60,000**	**1,00,000**	**1,00,000**

Interest of Directors

All of our directors may be deemed to be interested to the extent of their shareholding, remuneration / fees, if any, payable to them, for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration paid in their professional capacity and / or reimbursement of expenses, if any, payable to them and the shares held by them in our Company.

Except as stated above our Directors do not have any other interest in our business.

Corporate Governance

Corporate Governance involves the building of a set of relationships between the Company, its Board, the management, the shareholders and other stakeholders by putting in place a structure and a system through which the established goals of the Company may be achieved. It denotes the process through which the Board of Directors oversees what the management does. Good governance is integral to the existence of a Company. It inspires and strengthens investor confidence by ensuring Company's commitment to higher growth and profits. Your Company's management and Board of Directors are committed to ensure good corporate governance in its operations. The Company has complied with the Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. Audit Committee

The Audit Committee was reconstituted by our Board in their meeting held on November 07, 2015 and further reconstituted on May 24, 2017. The Audit Committee presently comprises of:

Name of Member	**Designation**
Mr. Gautam Kanjilal	Chairman
Mr. Alok Perti	Member
Ms. Pushpa Chowdhary	Member

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was reconstituted by our Board in their meeting held on November 07, 2016 and further reconstituted on May 24, 2017. The Nomination and Remuneration Committee presently comprises of:

Name of Member	Designation
Mr. Alok Perti	Chairman
Mr. Gautam Kanjilal	Member
Ms. Pushpa Chowdhary	Member

3. Stakeholders Relationship Committee

The Stakeholder Relationship Committee was reconstituted by our Board in their meeting held on May 28, 2016 and further reconstituted on May 24, 2017**.** The Stakeholder Relationship Committee presently comprises of:

Name of Member	Designation
Mr. Alok Perti	Chairman
Mr. Gautam Kanjilal	Member
Ms. Pushpa Chowdhary	Member

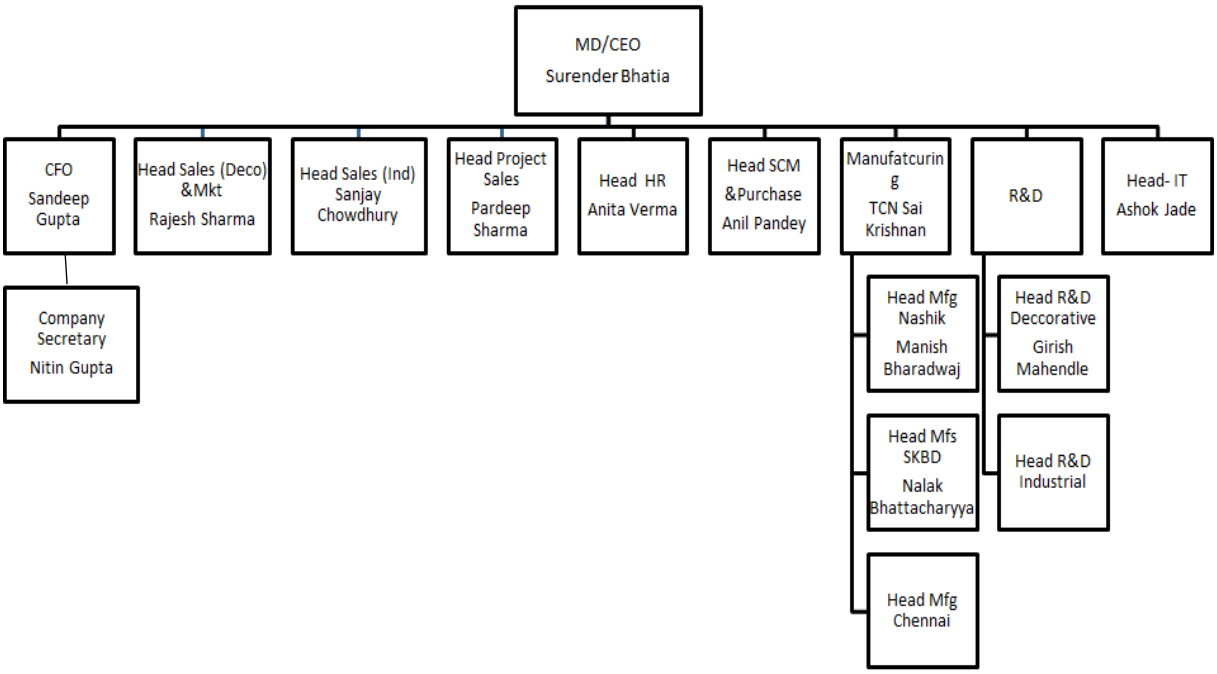
Shareholding of our Directors

Sr. No.	Name of the Shareholders	No. of Equity Shares	% of holding
1.	Mr. Surender Kumar	-	-
2.	Mr. Alok Perti	-	-
3.	Mr. Gautam Kanjilal	-	-
4.	Mrs. Pushpa Chowdhary	-	-
	Total	-	-

Changes in the Board of Directors in the last 3 years

Sr. No.	Name of the Directors	Designation	Date of Appointment	Date of Cessation
1.	Pushpa Chowdhary	Director	30.05.2014	-
2.	Mr.Raghavachari Srinivasan	Director	-	26.09.2014
3.	Sameer Nagpal	Managing Director	-	30.05.2015
4.	Surender Kumar	Director	30.05.2015	
5.	Pujit Ravikiran Aggarwal	Director	-	16.06.2015
6.	Aditya Vikram Lodha	Director		11.07.2015
7.	Gautam Kanjilal	Director	07.11.2015	-
8.	Girish Sundar Jhunjhnuwala	Director	-	12.08.2016
9.	Mr. Ratan Jindal	Director	-	28.09.2016
10.	Mr. Alok Perti	Director	24.05.2017	-
11.	Mr. Rajiv Rajvanshi	Director	-	24.05.2017

Organisation Structure
The Organisation Structure of Senior Management is given below:



Key Managerial Personnel

The following are KeyManagerial Personnel of our Company.

Name	Designation	Age (years)	Qualification	Experience (years)	Date of Joining
Sandeep Gupta	Chief Financial Officer	49	Chartered Accountant	24 years	11.02.2017
Rajesh Sharma	Marketing & Sales Head	47	MBA	26 years	01.04.2002
Sanjay Chowdhary	Vice President-Industrial	51	PGDM	22 years	01.10.2013
Pradeep Sharma	Head Project Sales	53	B.A	25 years	19.05.2016
Anita Verma	Chief HR Officer	36	PGDM	13 years	01.04.2017
Anil Pandey	AVP Supply Chain	48	B.Com, C.A Inter	22 years	02.02.2015
TCN Sai Krishnan	Vice President - Manufacturing	48	Masters In Business Administration	26 years	26.04.2017
Manish Bhardwaj	GM Mfg Nasik	40	B.Tech	18years	18.12.2013
Nalak Bhattacharyya	GM Mfg SKBD	56	B.Tech	28 years	01.09.2003
Girish Mahendle	Head R&D Decorative	43	M.Sc	18 years	17.10.2016
Ashok Jade	Sr. GM-IT & Analytics	43	Post Graduate Diploma in IT	20 years	02.12.2013
Nitin Gupta	Company Secretary	31	Company Secretary, LLB	6 years	01.02.2016

All our Key Managerial Personnel are permanent employees of our Company.

Brief Profile of Key Managerial Personnels:

Sandeep Gupta is finance professional of 24 year of experience spanning with entire gamut of finance. He has experience in working capital management, cash flow management, Fund raising activities and banking relationship. He served at various position during his tenure of 15 year with Jindal Stainless limited including in corporate debt restructuring, cost control intiatives and project funding. He has vast experience in formulation of business plan, budgetary control, and profit maximization.
He is graduate from Rajasthan University and obtained Chartered Accountant degree in 1993. Previously, he worked with Birla Yamaha Limited and Khanna Paper Mills Limited.

Rajesh Sharma - Head - Sales & Marketing, has done Executive MBA. He is a proven Sale and Marketing professional with 24 years of experience, have experience in strategic roles for Product Management , Business planning , Brand Management , Positioning-Communication , Distribution channel development , Retail Sales & Activations ,Dealer Management and Consumer Research . He looks after entire decorative sales and project sales. He has worked with Venus Decorative Pvt Ltd., Silicones Industries (India) ltd. and Goodlass Nerolac Paints Ltd.

Sanjay Chowdhary - is Vice President (Industrial Business), has more than 24 years of experience across the industries in Strategy, Leadership, Sales, marketing, Buisness Develeopment, R&D and Manufacturing. He has worked with Companies like Berger Paints India Limited, Jubilant Organosys Limited & Asian paints. His credentials includes Post Graduate Diploma International Business from Indian Institute of Foreign Trade, New Delhi and MBA(Marketing) from IISWBM, Calcutta. Master of Engineering (Polymer Technology) from Delhi College of Engineering.

Pradeep Sharma – Head project Sales professional with over 25 years of experience in developing and establishing the channel network and Project sales both commercial and residential . He has worked with companies like M/s Stylam Industries Ltd. M/s Hunter Douglas I Pvt Ltd and M/s Goodlas Nerolac Paints Ltd.

Anita Verma is a HR professional with over 15 years of experience in various industries like Power Distribution, IT and Cement Engineering. She has extensive experience in HR strategy, Process & policy designing and execution, Talent Acquisition & Retention, Learning & development Performance Management

and managing HR operations. She has worked with KHD Humboldt Wedag, Mascon Global Limited and TATA Power prior to this. Anita has done PDGM (HR) from Amity Business School in 2003.

Anil Pandey- A graduate in Commerce (Hons) with CA (Inter) and CS (Inter) . He has more than 21 years of experience in Supply Chain, Procurement and Logistics, Business Planning, Costing and Budgeting. He has worked with Companies like Jindal Stainless Ltd, Ispat Industries Ltd (Mittal Group Company). In Ispat Industries, he was core team member for acquisition and merger of Steel companies across the globe and travelled to several countries. He has worked on Procurement and Logistics cost reduction Project with world class consultants like Boston Consulting Group (BCG), Ernst and Young and A T Kearney.

TCN Sai Krishnan – He is a Chemical Engineer with MBA in Finance, having 28 years of manufacturing, supply chain, project experiences, etc with reputed paints, Chemicals, Petro Chemicals & FMCG industries, of which is significant period of 22 years has been Asian Paints Limited, in various capacities at Tamil Nadu, Gujarat, Mumbai, Etc. He has also worked with other organizations like Thirumalai chemicals, SRF Limited, IOC Limited etc.

Manish Bhardwaj – is B-Tech in Chemical from HBTI, Kanpur. Manish has 18 years of experience in Manufacturing operations, quality assurance, process engineering, vendor development and turn around management. Manish has worked with Wrigleys India Pvt Ltd, Hindustan Unilever Ltd, ITC Ltd, Cadbuury India Ltd, Jindal Polyfilms Ltd. and SRF Ltd.

Nalak Bhattacharyya is B.Tech (Polymer Science) from Calcutta University. He is Certified ISO Internal Auditor and has 27 years of rich experience in paint Industry having thorough knowledge of all paint manufacturing process as well as technical know-how. He excels in Cost Effective Manufacturing Operations, Quality Management, Customer Handling and man management skills. He has worked with National Colors.

Girish Mahendle has done M.Sc in Organic Chemistry and Diploma in Technical & Analytical Chemistry. He has 18 years of experience in product Design and development and testing of new Water Base and Solvent Base Decorative Paint formulations. He has developed various solvent and epoxy based products. He also has good experience in developing ecofriendly paints. He has worked with Jotun Paints UAE ltd., Asian paints Ltd. and Anchrome India Pvt ltd.

Ashok Jade is MBA (PGDIT) from Symbiosis. A dynamic professional with 18 years of experience in IT Strategy, Technology, ERP, CRM, BI. IT security, new technologies and Cost Optimization. Strong record of success in creating robust IT Architecture and System implementation and post Implementation stabilization. He has won many awards like "Top Enterprise CIO" Award by iCMG in 2016, "Business Technology" Award in 2016 by Cybermedia, "CIO Power List – 2016" Award from CORE Media in 2016, "The Transformative 100" Award from IDG Media in 2016. He has worked with Videocon Industries, Bright Computers & Tekcare India Pvt Ltd.

Nitin Gupta is a professional with over 6 years of experience in the Listed Companies. He obtained Company Secretary Degree in the year 2010. He is also a Law Graduate and obtained law degree in the year 2014. He has worked with the companies like Max Heights Infrastructure Limited and Omansh Enterprises Limited.

Relationship between Key Managerial Personnels

None of our KMPs are related to each other. We further confirm that the service contracts entered into with our Key Management Personnel does not provide for any benefit upon termination of employment except the retirement benefits payable to them as Provident Fund, Superannuation and Gratuity as per the policies of our Company. Except the normal incentive scheme of the Company, there is no specific incentive sharing plan for the Key Managerial Personnel.

Shareholding of the Key Managerial Personnels

Except as mentioned below, none of the key managerial personnels hold shares in the company.

Sr. No.	Name of the Shareholders	No. of Equity Shares
1.	Anil Pandey	600
2.	Ashok Jade	2,625

Changes in the Key Managerial Personnel in Last 3 Years

Sr. No.	Name of the KMPs	Designation	Date of Appointment	Date of Cessation
1.	Mr. Chandan Arora	Chief Financial Officer	01.09.2014	-
2.	Mr. Pumit Kumar Chellaramani	Company Secretary	-	15.11.2014
3.	Mr. Chandan Arora	Chief Financial Officer	-	30.04.2015
4.	Mr. Anil Pandey	AVP Supply Chain	02.02.2015	-
5.	Ms. Bernadette Domini	Company Secretary	30.05.2015	16.10.2015
6.	Mr. Nitin Gupta	Company Secretary	01.02.2016	-
7.	Mr. Pradeep sharma	Head project Sales	19.05.2016	-
8.	Mr. Janak Raj Goyal	Chief Financial Officer	12.08.2016	31.01.2017
9.	Mr. Girish Mahendle	Head R&D decorative	17.10.2016	-
10.	Ms. Urvi Jindal	ED- Strategy HR & marketing	02.01.2017	-
11.	Mr. Sandeep Gupta	Chief Financial Officer	11.02.2017	-
12.	Ms. Anita Verma	Chief HR Officer	01.04.2017	-
13.	Mr. Sai Krishnan	VP- Manufacturing	26.04.2017	-

Interest of Key Managerial Personnel

No key Managerial Personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Employee Stock Option Scheme / Employees Stock Purchase Scheme

Presently, there is one Employee Stock Option Scheme under implementation i.e Employee Stock Option Scheme 2013.

Payment or benefit to officers of the Company

Except the payment of salaries and perquisites, our Company does not make any payments to its officers.

OUR PROMOTERS

The Promoter of our Company are

i. Mr. Ratan Jindal



Passport No.	: Z2121616 issued on July 30, 2014
PAN	: AASPJ0852D
Bank A/c Details.	: 017201075337 with ICICI Bank Limited, Kamla Palace Road, Red Square Market, Hissar, Haryana – 111 110

Ratan Jindal aged 56 years is a promoter of our Company. He is currently the Chairman and Managing Director of Jindal Stainless Limited, which is India's one of the largest integrated manufacturer of quality stainless steel. He has more than 30 years of experience in the steel industry. He serves on the board of a number of companies including Jindal Stainlesss (Hisar) Limited. Mr. Jindal is a Commerce graduate from Kurukshetra University. He is a Graduate of the Wharton Advance Management Programme from Wharton School of Management. He advises us on strategic management business operations and on new market developments.

He is also associated with the large bedded multi-specialty charitable hospital and also devotes time to oversee the functioning of two large schools. Mr. Ratan Jindal is holding 30,500 equity Shares of our Company in its individual capacity.

ii. Hind Strategic Investments

PAN No. AABCH7462B
Bank Account No. – 000444521682, Mauritius Commercial Bank Limite**d**

Hind Strategic Investments was incorporated on February 10, 1995 under Registrar of Companies, Mauritius in as a Private Company limited by shares, having its registered office at Les Cascades Building Edith Cavell Street Port Louis – Mauritius.
Hind Strategic Investments is holding 58, 41, 570 equity shares of our Company.

Board of Directors

- Mr. Surya Kumar Jhunjhnuwala
- Mr. Girish Sundar Jhunjhnuwala
- Mrs. Ritu Jhunjhnuwala
- Mr. Praveen Beeharry
- Mr. Sandeep Fakun

Shareholding Pattern (As on March 31, 2017)

S. No.	Name of the Shareholder	Number of Shares	% of Shareholding
1.	Ranisati Trust – Trustee is Pitar Dev (PTC) Limited	**5,000**	**50.00**
2.	Sundar Vanch Trust – Trustee is Rigasu (PTC) Limited	**5,000**	**50.00**
	Total	**10,000**	**100.00**

Financial performance
The audited financial results of Hind Strategic Investments for the financial years ended December 31, 2016, 2015 and 2014 are set forth below.

(In USD millions)

Particulars	December 31, 2015	December 31, 2014	December 31, 2013
Total Revenue	1.38	5.94	0.29
Net profit / (loss) after tax	1.14	5.72	(0.95)
Equity Share Capital	0.01	0.01	0.01
Preference Share Capital	-	-	-
Reserves & Surplus	18.08	18.55	8.92
Net Worth	18.09	18.56	8.93
Book Value (in USD) of face value 1 each	1,809.28	1,856.43	892.91

Other confirmation
We confirm that the details of the permanent account numbers, bank account numbers of our individual promoters has been submitted to the Stock Exchanges at the time of filing the Draft Letter of Offer with the Stock Exchanges. Our Promoters have informed that they have not been declared as willful defaulters by the RBI or any other Governmental authority and there are no violations of securities laws committed by him in the past or are pending against him.

Our Promoter and Promoter Group entities have not been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoter is not and has never been a promoter, director or person in control of any other company which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Common Pusuits
None of the Promoters are engaged in activities similar to our business.

Interest of Promoter
Our Promoters shall be deemed as interested to the extent of Equity Shares held by them or by the companies / firms / ventures promoted by him/them, if any and dividend or other distributions payable to him in respect of the said Equity Shares. Except as stated above and in the section titled "Financial Statements" on page 103 of the Draft Letter of Offer, and to the extent of shareholding in our Company, our Promoters does not have any other interest in our business.

Related party transactions
For details of related party transactions refer to "Financial Statements" on page 103 of the Draft Letter of Offer.

Litigation
The individuals other than Mr. Ratan Jindal in promoter group hold negligible shareholding in our Company and they and the entities in which they have major shareholding and as well as group companies are not involved in the affairs of the Company. The group consists of large number of entities/companies. Therefore, for outstanding litigations we are providing information only in regards to our Company, above mentioned two promoters, our directors and our subsidiaries. For details regarding litigation, see the chapter titled "Outstanding Litigations and Material Developments" on page 195 of this Draft letter of Offer.

OUR PROMOTER GROUP

Given below is the list of entities which forms part of our Promoter Group. None of the Promoter Group Companies have made any public issue in the preceding three years. None of the Promoter Group Company has become a sick company under the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under winding up or liquidation.

1. Nalwa Sons Investments Limited
2. Nalwa Investments Limited
3. Stainless Investments Limited
4. Sun Investments Private Limited
5. Hexa Securities and Finance Company Limited
6. Colarado Trading Company Limited
7. Jindal Equipment Leasing And Consultancy Services Limited
8. Abhinandan Investments Limited
9. Mansarover Investments Limited
10. JSL Limited

In addition to the entities named above, the following persons are part of our Promoter Group:

S.No.	Name	Equity shareholding in the Company as on March 31, 2017	Shareholding (%)
1	Sh. Prithvi Raj Jindal	72,000	0.38
2	Sh. Sajjan Jindal	31,000	0.16
3	Smt. Deepika Jindal	30,000	0.16
4	Smt. Kusum Mittal	20,000	0.11
5	Smt. Sarita Devi Jain	20,000	0.11
6	Smt. Hina Devi Goyal	20,000	0.11
7	Sh. Naveen Jindal	12,300	0.06
8	Smt. Savitri Devi Jindal	12,300	0.06
9	P R Jindal HUF	12,300	0.06
10	R K Jindal & Sons HUF	12,300	0.06
11	S K Jindal & Sons HUF	12,300	0.06
12	Smt. Sminu Jindal	10,500	0.06

1. Nalwa Sons Investments Limited

Nalwa Sons Investments Limited was originally incorporated as Jindal Strips Private Limited on November 18, 1970 under the Companies Act, 1956 with the Registrar of Companies, NCT Delhi & Haryana. Subsequently the company was converted into public limited company and received fresh Certificate of Incorporation dated May 05, 1975 in the name of Jindal Strips Limited. The name of the company was subsequently changed to Nalwa Sons Investments Limited pursuant to a fresh Certificate of Incorporation dated April 29, 2005. The registered office of the company is situated at 28, Najafgarh Road, Moti Nagar Industrial Area, Delhi – 110 015. The CIN of the company is L65993DL1970PLC146414. The Company is engaged in the business of investment and to underwrite and deal in shares, debentures, bonds, units etc. The shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited.

Board of Directors

- Mr. Suresh Jindal
- Mr. Ram Gopal Garg
- Mr. Rajinder Parkash Jindal
- Mr. Rakesh Kumar Garg
- Mr. Shailesh Goyal
- Ms. Vaishali Deshmukh

Shareholding Pattern as on March 31, 2017

Name	No. of equity shares	% of shareholding
Promoters Holding		
Individuals / HUF	27,602	0.54
Other	28,19,328	54.89
Individuals (Non Resident Individuals / Foreign Individuals)	9,480	0.18
Total	**28,56,410**	**55.61**
Non Promoters Holding		
Institutions		
Mutual Funds and UTI	1,420	0.03
Foreign Portfolio Investors	2,25,730	4.39
Banks, Financial Institutions	1,350	0.03
Insurance Companies	28,126	0.55
Others	701	0.01
Individual share capital upto Rs. 2 Lakhs	5,57,634	10.86
Individual share capital in excess of Rs. 2 Lakhs	14,64,792	28.52
Sub Total	**22,79,753**	**44.39**
Total	**51,36,163**	**100.00**

Financial performance

The audited financial results of Nalwa Sons Investments Limited for the financial years ended March 31, 2017, 2016 and 2015 are set forth below.

(₹ in Lakhs)

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Total Revenue	1,510.16	1,896.69	2,128.49
Net profit after tax	1,202.81	1,376.08	608.95
Equity Share Capital	513.62	513.62	513.62
Preference Share Capital	-	-	-
Reserves & Surplus	37,011.69	35,808.88	34,432.80
Net Worth	37,525.31	36,322.50	34,946.42
Book Value (in ₹) of face value ₹ 10 each	730.60	707.19	680.40
EPS (in ₹) of face value ₹ 10 each	23.42	26.79	11.86

The equity shares of Nalwa Sons Investments Limited are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

BSE

The high and low closing prices and associated volumes of securities traded during last three years is as follows:

Period	High (in Rs.)	Date of High	Volume on date of high (no. of shares)	Low (in Rs.)	Date of Low	Volume on date of low (no. of shares)	Weighted Average Price (in Rs.)
2014	988.00	12.09.2014	18751	508.05	18.02.2014	580	765.14
2015	806.00	23.12.2015	5617	600.00	25.08.2015	732	694.90
2016	858.70	11.07.2016	14117	560.00	19.02.2016	443	668.67

The high and low closing prices and associated volume of securities traded during the last six months is as follows:

Period	High (in Rs.)	Date of High	Volume on date of high (no. of shares)	Low (in Rs.)	Date of Low	Volume on date of low (no. of shares)	Weighted Average Price (in Rs.)
May 2017	938.95	12.05.2017	153	866.00	30.05.2017	117	899.30
April 2017	950.00	06.04.2017	2841	880.00	27.04.2017	843	925.00
March 2017	960.10	16.03.2017	7108	808.00	02.03.2017	128	889.46
February 2017	832.95	09.02.2017	136	766.20	16.02.2017	27	794.25
January 2017	889.90	11.01.2017	1150	740.05	10.01.2017	18	813.06
December 2016	800.05	12.12.2016	356	711.00	02.12.2016	13	762.62
November 2016	822.00	01.11.2016	102	644.00	09.11.2016	88	757.25

NSE

The high and low closing prices and associated volumes of securities traded during last three years is as follows:

Period	High (in Rs.)	Date of High	Volume on date of high (no. of shares)	Low (in Rs.)	Date of Low	Volume on date of low (no. of shares)	Weighted Average Price (in Rs.)
2014	993.65	12.09.2014	21526	508.50	18.02.2014	334	754.67
2015	806.00	23.12.2015	6278	600.00	25.08.2015	346	683.46
2016	859.70	11.07.2016	42248	551.00	17.02.2016	177	691.06

The high and low closing prices and associated volume of securities traded during the last six months is as follows:

Period	High (in Rs.)	Date of High	Volume on date of high (no. of shares)	Low (in Rs.)	Date of Low	Volume on date of low (no. of shares)	Weighted Average Price (in Rs.)
May 2017	947.00	03.05.2017	288	820.05	29.05.2017	1339	904.15
April 2017	989.95	06.04.2017	2782	886.00	03.04.2017	441	926.55
March 2017	963.35	16.03.2017	12530	801.00	01.03.2017	1225	893.78
February 2017	830.00	03.02.2017	84	770.000	16.02.2017	321	793.77
January 2017	888.00	11.01.2017	3416	735.10	03.01.2017	116	822.74
December 2016	800.95	14.12.2016	80	707.35	26.12.2016	263	741.08
November 2016	845.95	01.11.2016	336	710.00	23.11.2016	161	758.63

2. Nalwa Investments Limited

Nalwa Investments Limited was incorporated on February 06, 1981 under the Companies Act, 1956 with the Registrar of Companies, NCT Delhi and Haryana. The registered office of the company is situated at Satyagruh Chavani, Lane No. 21, Bunglow No. 508, Near Jodhpur Cross Road Satellite, Ahmedabad, Gujarat 380015. The CIN of the company is U65993GJ1981PLC066189. The company is engaged in the business to invest, under write or deal in such securities as company's directors may think fit and proper and to buy such shares, stocks, or securities as may be thought fit and to vary the investments as may from time to time be thought fit. The equity shares of Nalwa Investments Limited are not listed on any stock exchange.

Board of Directors

- Mr. Rajinder Parkash Jindal
- Mr. Subhash Sharma
- Mr. Udai Vashisht
- Mr. Balraj Aggarwal
- Ms. Manisha Goyal

Shareholding Pattern as on March 31, 2017

Name	No of Equity Shares	% of shareholding
Promoters Holding		
Individuals/ HUF	178,800	39.73
Other	257,550	57.24
Individuals (Non Resident Individuals/ Foreign Individuals)	-	-
Total	**436,350**	**96.97**
Non Promoters Holding		
Institutions	-	-
Mutual Funds and UTI	-	-
Others	-	-
Individual Share Capital upto Rs. 2 Lakhs	13,650	3.03
Individual Share Capital in excess of Rs. 2 Lakhs	-	-
Sub Total	**13,650**	**3.03**
Total	**450,000**	**100.00**

Financial performance

The audited financial results of Nalwa Investments Limited for the financial years ended March 31, 2016, 2015 and 2014 are set forth below.

(₹ in Lakhs)

Particulars	March 31, 2016	March 31, 2015	March 31, 2014
Total Revenue	78.61	34.01	283.61
Net profit after tax	25.18	(114.84)	147.98
Equity Share Capital	45.00	45.00	45.00
Preference Share Capital	2,738.75	2,103.75	1,400.00
Reserves & Surplus	(209.92)	(575.10)	(460.26)
Net Worth	(164.92)	(530.10)	(415.26)
Book Value (in ₹) of face value ₹ 10 each	36.65	117.80	92.28
EPS (in ₹) of face value ₹ 10 each	5.60	(25.52)	32.89

3. Stainless Investments Limited

Stainless Investments Limited was incorporated on September 15, 1982 under the Companies Act, 1956 with the Registrar of Companies, NCT Delhi and Haryana. The registered office of the Company was shifted from state of Delhi to State of Gujarat on May 18, 2011. Currently, the registered office of the company is situated at Satyagruh Chavani, Lane No. 21, Bunglow No. 508, Near Jodhpur Cross Road Satellite, Ahmedabad, Gujarat 380015. The CIN of the company is U74899GJ1982PLC065465. The company is engaged in the business of Investment Company and financing industrial, enterprises and to invest in and acquire and hold shares, stocks, debentures etc. issued or guaranteed by any company constituted or carrying on business in India. The equity shares of Stainless Investments Limited are not listed on any stock exchange.

Board of Directors

- Mr. Purushottam Dutt Sharma
- Mr. Sunil Mittal
- Mr. Mahender Kumar Goel
- Ms. Manisha Goyal
- Mr. Charan Dass Garg

Shareholding Pattern as on March 31, 2017

Name	No. of equity shares	% of shareholding
Nalwa Sons Investments Limited	20,65,000	12.32
Jindal Equipment Leasing and Consultancy Services Ltd	6,40,000	3.82
Everplus Securities And Finance Limited	1,60,000	0.95
Jindal Steel And Power Limited	12,42,000	7.41
R K Investments	47,450	0.28
R P Investments	52,200	0.31
Smt. Savitri Devi Jindal	29,270	0.17
Sh. P R Jindal	6,110	0.04
P R Jindal HUF	2,03,160	1.21
Sh. Sajan Jindal	29,110	0.17
Sajan Jindal HUF	3,160	0.02
Smt. Sangeeta Jindal	65,350	0.39
Parath Jindal	6,125	0.04
Sh. R K Jindal	21,110	0.13
R K Jindal HUF	51,660	0.31
Abhyuday Jindal	26,300	0.16
Urvi Jindal	18,000	0.11
Sh. Naveen Jindal	6,110	0.04
Naveen Jindal HUF	86,060	0.51
Groovy Trading Pvt Ltd	1,20,00,000	71.61
Total	**1,67,58,175**	**100.00**

List of Preference Shareholders as on March 31, 2017

Name	No. of equity shares	% of shareholding
Hexa Securities and Finance Company Limited	6,70,327	100.00
Total	**6,70,327**	**100.00**

Financial performance

The audited financial results of Stainless Investments Limited for the financial years ended March 31, 2016, 2015 and 2014 are set forth below.

(₹ in Lakhs)

Particulars	March 31, 2016	March 31, 2015	March 31, 2014
Total Revenue	331.96	13.77	287.81
Net profit after tax	10.86	(65.43)	182.97
Equity Share Capital	1,675.82	1,675.82	1,675.82
Preference Share Capital	670.33	670.33	-
Reserves & Surplus	3,328.38	3,317.53	3,382.95
Net Worth	5,674.53	5,663.67	3,550.54
Book Value (in ₹) of face value ₹ 10 each	33.86	33.80	21.19
EPS (in ₹) of face value ₹ 10 each	0.06	(0.39)	1.09

4. Sun Investments Private Limited

Sun Investments Private Limited was incorporated on June 08, 1981 under the Companies Act, 1956 with the Registrar of Companies, Delhi and Haryana. The registered office of the company was shifted from Delhi to Mumbai, Mumbai to Delhi and Subsequently from Delhi to Gujarat. Currently, the registered office of the company is situated at Satyagruh Chavani, Lane No. 21, Bunglow No. 508, Near Jodhpur Cross Road Satellite, Ahmedabad, Gujarat 380015. The CIN of the company is U67120GJ1981PTC067071. The main object of the Company is to carry on the business of investment. The equity shares of Sun Investments Limited are not listed on any stock exchange.

Board of Directors

- Mr. Namrata Sekhar Pal
- Mr. Jayesh Mansukh Nandwana

Shareholding Pattern

Name	No. of equity shares	% of shareholding
Colorado Trading Co. Ltd	5,000	0.01
Vrindavan Services Pvt Ltd	39,300	0.05
Shri Sajjan Jindal	2,620	0.00
Shri Ratan K Jindal	15,920	0.02
Shri Puran Chand Sharma	100	0.00
Shri P R Jindal	33,320	0.04
Smt Sangita Jindal	42,900	0.06
Smt Savitri Devi Jindal	18,620	0.02
Ms. Sminu Jindal	46,100	0.06
Ms. Tripti Jindal	8,800	0.01
Mr. Abhuday Jindal	51,000	0.07
Ms. Urvi Jindal	10,000	0.01
Smt Deepika Jindal	6,000	0.01
Shri Naveen Jindal	62,620	0.08
Prithvi Raj Jindal (HUF)	1,500	0.00
S K Jindal & Sons (HUF)	1,500	0.00
R K Jindal & Sons (HUF)	1,500	0.00
Naveen Jindal & Sons (HUF)	1,500	0.00
Groovy Trading Pvt Ltd	36,494,500	48.77
JSW Holdings Ltd	3,24,56,800	43.37
Jindal Coated Steel Pvt Ltd	55,13,700	7.37
Nalwa Sons Investments Ltd	17,000	0.02
Total	**7,48,30,300**	**100.00**

List of 8% Redeemable Non-Cumulative Preference Shareholders

Name	No. of equity shares	Face Value Per Share(Rs.)	% of shareholding
Groovy Trading Pvt Ltd	19,95,000	10.00	100.00

Financial performance

The audited financial results of Sun Investments Private Limited for the financial years ended March 31, 2016, 2015 and 2014 are set forth below.

(₹ in Lakhs)

Particulars	March 31, 2016	March 31, 2015	March 31, 2014
Total Revenue	252.70	255.62	7,595.58
Net profit after tax	(6.43)	(556.44)	7,363.03
Equity Share Capital	7,483.03	7,483.03	7,483.03
Preference Share Capital	199.50	199.50	19.95
Reserves & Surplus	16,617.32	16,623.75	17,180.19
Net Worth	24,100.35	24,106.78	24,663.22
Book Value (in ₹) of face value ₹ 10 each	32.21	32.22	32.96
EPS (in ₹) of face value ₹ 10 each	(0.01)	(0.74)	9.84

5. Hexa Securities and Finance Company Limited

Hexa Securities & Finance Company Limited was originally incorporated as Hexa Securities and Finance Company Private Limited on November 23, 1994 under the Companies Act, 1956 with the Registrar of Companies, NCT Delhi & Haryana. Subsequently the company was converted into public limited company and received fresh Certificate of Incorporation dated December 03, 2002 in the name of Hexa Securities and Finance Company Limited. The registered office of the Company was shifted from Delhi to Gujarat On July 25, 2011. Currently, the registered office of the company is situated at Satyagruh Chavani, Lane No. 21, Bunglow No. 508, Near Jodhpur Cross Road Satellite, Ahmedabad, Gujarat 380015. The CIN of the company is U74899GJ1994PLC066477. The main objects of the Company is business of share transfer agents, share brokers, merchant bankers, portfolio managers and other financial services. The equity shares of Hexa Securities and Finance Company Limited are not listed on any stock exchange.

Board of Directors

- Mr. Ranjit Malik
- Mr. Praveen Kumar Singla
- Ms. Preetika Singh Johar
- Mr. Girish Sharma
- Dr. Raj Kamal Aggarwal

Shareholding Pattern

Name	No. of equity shares	% of shareholding
Arvind Kiran	50	0.00
Stainless Investment Ltd	50	0.00
Jindal Equipment Leasing & Consultancy Ltd	50	0.00
Mansarover Investment Ltd	50	0.00
Abhinandan Investment Ltd	50	0.00
Nalwa Investments Ltd	50	0.00
Hexa Tradex Ltd	22,13,81,230	99.99
Total	**22,13,81,530**	**100.00**

Financial performance

The audited financial results of Hexa Securities and Finance Company Limited for the financial years ended March 31, 2016, 2015 and 2014 are set forth below.

(₹ in Lakhs)

Particulars	March 31, 2016	March 31, 2015	March 31, 2014
Total Revenue	577.75	2,319.18	2,549.35
Net profit after tax	(707.21)	351.71	1,131.56
Equity Share Capital	22,138.15	2,550.00	2,550.00
Preference Share Capital	-	-	-
Reserves & Surplus	(889.05)	(181.84)	(533.55)
Net Worth	21,249.10	2368.16	2,016.45
Book Value (in ₹) of face value ₹ 10 each	9.60	9.29	7.91
EPS (in ₹) of face value ₹ 10 each	(0.74)	1.38	4.44

6. Colorado Trading Company Limited

Colorado Trading Company Limited was incorporated January 07, 1983 under the Companies Act, 1956 with the Registrar of Companies, West Bengal. The registered office of the Company was shifted from Delhi to Gujarat On July 25, 2011. Currently, the registered office of the company is situated at Satyagruh Chavani, Lane No. 21, Bunglow No. 508, Near Jodhpur Cross Road Satellite, Ahmedabad, Gujarat 380 015. The CIN of the company is U74899GJ1983PLC068406. The main objects of the Company is to carry the business of buyers, suppliers, traders, merchants, exporters of all kinds of pipes, pipe fittings etc. The equity shares of are not listed on any stock exchange.

Board of Directors

- Mr. Lajpat Rai Jain
- Mr. Mahender Kumar Goel
- Mr. Tapas Sen

Shareholding Pattern as on March 31, 2017

Name	No. of equity shares	% of shareholding
Promoters Holding		
Directors	100	0.04
Persons acting in concert	-	-
Sub Total	100	0.04
Non Promoters Holding		
Institutional Investors	-	-
Mutual Funds and UTI	-	-
Banks, Financial Institutions, Insurance Companies, (Central / State Govt.) Institutions/Non-Govt. Institution	-	-
Foreign Institutional Investors	-	-
Sub Total	-	-
Others		
Private Corporate Bodies	41,400	17.25
Indian Public	1,98,500	82.71
NRIs/QCBs	-	-
Any other (please specify)	-	-
Sub Total	2,39,900	99.96
Total	**2,40,000**	**100.00**

7. Jindal Equipment Leasing and Consultancy Services Limited

Jindal Equipment Leasing and Consultancy Services Limited was originally incorporated as Jindal Equipment Leasing and Finance Limited on March 29, 1984 under the Companies Act, 1956 with the Registrar of Companies, NCT Delhi and Haryana and received the Certificate of Commencement of Business dated April 07, 1984. The name of the company was changed to Jindal Equipment Leasing and Consultancy Services Limited and received the fresh Certificate of Incorporation dated August 07, 1986. The registered office of the Company was changed from Delhi to Gujarat on June 01, 2011. Currently, the registered office of the company is situated at Satyagruh Chavani, Lane No. 21, Bunglow No. 508, Near Jodhpur Cross Road Satellite, Ahmedabad, Gujarat 380015. The CIN of the company is U65921GJ1984PLC065675. The Company is engaged in the business of leasing and hire purchase finance company and to acquire on lease or to provide on hire purchase basis all types of industrial and office plant etc. The equity shares of Jindal Equipment Leasing and Consultancy Services Limited are not listed on any stock exchange.

Board of Directors

- Mr. Ranjit Malik
- Mr. Udai Vashisht
- Mr. Balraj Aggarwal
- Mrs. Prem Lata Vashisth

Shareholding Pattern as on March 31, 2017

Name	No. of equity shares	% of shareholding
Stainless Investments Ltd	13,90,500	17.98
Nalwa Sons Investments Ltd	15,39,000	19.90
Jindal Holdings Ltd	5,00,000	6.47
Abhinandan Investments Pvt Ltd	2,48,300	3.21
Sun Investments Pvt Ltd	5,21,000	6.74
Vrindavan Services Pvt Ltd	11,27,000	14.57
Renuka Financial Services Ltd	5,56,000	7.19
Aras Overseas Limited	1,00,000	1.29
Musuko Trading Pvt Ltd	1,00,000	1.29
Gagan Trading Co. Ltd	1,15,000	1.49
Smt. Savitri Devi Jindal	24,560	0.32
Sh. Prithvi Raj Jindal	40,360	0.52
Sh. Prithvi Raj Jindal HUF	2,000	0.03
Sminu Jindal	43,200	0.56
Tripti Jindal	25,200	0.33
Sh. Sajan Jindal	53,360	0.69
S.K.Jindal HUF	21,000	0.27
Smt. Sangita Jindal	24,500	0.32
Sh. Ratan Jindal	13,860	0.18
Smt. Deepika Jindal	12,300	0.16
R.K.Jindal HUF	33,500	0.43
Abhyuday Jindal	18,500	0.24
Urvi Jindal	20,100	0.26
Sh. Naveen Jindal	85,360	1.10
Naveen Jindal & Sons HUF	2,000	0.03
Groovy Trading Pvt Ltd	100	0.00
Goswamis Credits & Investments Ltd	6,11,000	7.90
Manjula Finances Ltd	5,05,000	6.53
Total	**77,32,700**	**100.00**

List of Share Holders (Preference) as on March 31, 2017

Name	No. of equity shares	% of shareholding
Hexa Securities & Finance Co. Ltd	20,80,493	49.25
Sun Investments Pvt Ltd	46,000	1.09
Nalwa Sons Investments Ltd	19,78,000	46.82
Jindal Holdings Ltd	1,20,000	2.84
Total	**42,24,493**	**100.00**

8. Abhinandan Investments Limited

Abhinandan Investments Limited was incorporated on April 06, 1983 under the Companies Act, 1956 with the Registrar of Companies, NCT Delhi and Haryana and received Certificate of Commencement of Business dated May 20, 1983. The registered office of the Company was shifted from state of Delhi to State of Gujarat on July 05, 2011. Currently, the registered office of the company is situated at Satyagruh Chavani, Lane No. 21, Bunglow No. 508, Near Jodhpur Cross Road Satellite, Ahmedabad, Gujarat 380015. The CIN of the company is U67120GJI983PLC066188. The company is engaged in the business of investment company of financing industrial and other concerns and to invest in and acquire and hold shares, stocks, debentures etc. issued or guaranteed by any company constituted or carrying on business in India. The equity shares of Abhinandan Investments Limited are not listed on any stock exchange.

Board of Directors

- Mr. Sunil Mittal
- Mr. Om Prakash Verma
- Mr. Mukesh Gautam

Shareholding Pattern as on March 31, 2017

Name	No of Equity Shares	% of shareholding
Promoters Holding		
Individuals/ HUF	56,700	28.35
Other	133,925	66.96
Individuals (Non Resident Individuals/ Foreign Individuals)	-	-
Total	**190,625**	**95.31**
Non Promoters Holding		
Institutions	-	-
Mutual Funds and UTI	-	-
Others	-	-
Individual Share Capital upto Rs. 2 Lakhs	9,375	4.69
Individual Share Capital in excess of Rs. 2 Lakhs	-	-
Sub Total	**9,375**	**4.69**
Total	**200,000**	**100.00**

9. Mansarover Investments Limited

Mansarover Investments Limited was incorporated on June 08, 1981 under the Companies Act, 1956 with the Registrar of Companies, NCT Delhi and Haryana. The registered office of the Company was shifted from state of Delhi to State of Gujarat on June 01, 2011. Currently, the registered office of the company is situated at Satyagruh Chavani, Lane No. 21, Bunglow No. 508, Near Jodhpur Cross Road Satellite, Ahmedabad, Gujarat 380015. The CIN of the company is U65993GJ1981PLC065676. The company is in the business of investment company and to invest in and acquire and hold shares, stocks, debentures, etc. issued or guaranteed by any company constituted or carrying on business in India. The equity shares of Mansarover Investments Limited are not listed on any stock exchange.

Board of Directors

- Mr. Madan Lal Gupta
- Mr. Ashok Goyal Kumar
- Mr. Davender Kumar Goyal
- Mr. Dinesh Khanna
- Mr. Ajay Sharma

Shareholding Pattern as on March 31, 2017

Name	No. of equity shares	% of shareholding
Stainless Investments Limited	9,12,800	6.54
Nalwa Sons Investment Limited	10,85,000	7.78
Jindal Equipment Leasing and Consultancy Services Ltd	16,97,500	12.17
Manjula Finances Limited	1,99,500	1.43
Jindal Holdings Limited	3,00,000	2.15
Abhinandan Investments Limited	1,15,800	0.83
Vrindavan Services Limited	2,23,500	1.60
Groovy Trading Private Limited	90,80,000	65.07
Smt. Savitri Devi Jindal	37,060	0.27
Sh. Prithvi Raj Jindal	42,540	0.30
P R Jindal (HUF)	25,320	0.18
Smt. Sminu Jindal	16,500	0.12
Sh, Sajan Jindal	13,340	0.10

Name	No. of equity shares	% of shareholding
S K Jindal (HUF)	9,220	0.07
Smt. Sangeeta Jindal	49,700	0.36
Mr. Parth Jindal	9,000	0.06
Sh. Ratan Kumar Jindal	10,940	0.08
Smt. Deepika Jindal	33,100	0.24
R K Jindal (HUF)	21,720	0.16
Sh. Abhyuday Jindal	13,700	0.10
Sh. Naveen Jindal	53,340	0.38
Naveen Jindal (HUF)	4,220	0.03
Total	**1,39,53,800**	**100.00**

List of Preference Shareholders (9%) as on March 31, 2017

Name	No. of equity shares	% of shareholding
Hexa Securities & Finance Co. Ltd	2,093,070	85.32
Nalwa Sons Investments Limited	360,000	14.68
Total	**2,453,070**	**100.00**

List of Preference Shareholders (6%) as on March 31, 2017

Name	No. of equity shares	% of shareholding
Nalwa Sons Investments Limited	4,00,000	34.78
Sun Investments Pvt Limited	4,80,000	41.74
Jindal Coated Steel Pvt Limited	2,20,000	19.13
Manjula Finances Ltd	50,000	4.35
Total	**11,50,000**	**100.00**

10. JSL Limited

JSL Limited was originally incorporated as Jindal Stainless Limited on October 22, 2008 under the Companies Act, 1956 with the Registrar of Companies, NCT Delhi & Haryana. The name of the company was subsequently changed to JSL Limited pursuant to a fresh Certificate of Incorporation dated September 13, 2011.The registered office of the Company is situated at 28, Najafgarh Road, New Delhi – 110 015. The CIN of the company is U29141DL2008PLC184451. The main objects of the Company is business of Steel and non-ferrous melting furnaces, converters, AP Lines and casting facilities to produce stainless steel, ferrous and non-ferrous metals, alloy steels, steel etc. The equity shares of JSL Limited are not listed on any stock exchange.

Board of Directors

- Mrs. Deepika Jindal
- Mr. Sunil Mittal
- Mr. Davender Kumar Goyal
- Mr. Rajeev Garg

Shareholding Pattern

Name	No. of equity shares	% of shareholding
Lineage Management Services Limited Trustee for Heritage Trust	49,940	99.88
Smt. Arti Jindal	10	0.02
Smt. Sangita Jindal	10	0.02
Mr. Rajiv Rajvanshi*	10	0.02
Mr. Rakesh Khandelwal*	10	0.02
Mr. Ankur Agrawal*	10	0.02
Mr. Sunil Mittal*	10	0.02
Total	**50,000**	**100.00**

*Holding as nominee of Heritage Trust

Other Group Entities

1. Jindal Stainless Limited

Jindal Stainless Limited was originally incorporated as Jindal Ceramics Limited on September 29, 1980 under the Companies Act, 1956 with the Registrar of Companies, NCT Delhi & Haryana and received the Certificate of Commencement of Business on September 29, 1980. The name of the company was subsequently changed to Jindal Int.com Limited and the fresh Certificate of Incorporation was issued on January 29, 2001. The name of the company was subsequently changed to Jindal Stainless Limited and the fresh Certificate of Incorporation was issued on January 28, 2003. The name of the company was subsequently changed to JSL Limited and the fresh Certificate of Incorporation was issued on September 23, 2008. The name of the company was subsequently changed to JSL Stainless Limited and the fresh Certificate of Incorporation was issued on August 06, 2010. The name of the company was subsequently changed to Jindal Stainless Limited and the fresh Certificate of Incorporation was issued on December 07, 2011. The registered office of the company is situated at O. P. Jindal Marg, Hisar - 125 005. The CIN of the company is L26922HR1980PLC010901. The company is engaged in the business of manufacture and dealing in stainless steel, ferrous and non- ferrous metals, alloy steels etc. The shares of Jindal Stainless Limited are listed on BSE and NSE.

Board of Directors

- Mr. Ratan Jindal – Chairman and Managing Director
- Mr. Suman Jyoti Khaitan
- Mr. Tara Sankar Sudhir Bhattacharya
- Mr. Gautam Kanjilal
- Mr. Subrata Bhattacharya
- Mr. Kanwaljit Singh Thind

Shareholding Pattern (as on March 31, 2017)

Name	No. of equity shares	% of shareholding
Promoters Holding		
Individuals / HUF	6,46,087	0.16
Any Other	22,04,39,559	55.18
Individuals (Non Resident Individuals / Foreign Individuals)	75,23,053	1.88
Any Other	7,09,95,424	17.77
Total	**29,96,04,123**	**75.00**
Non Promoters Holding		
Institutions		
Mutual Funds and UTI	48,16,226	1.21
Foreign Portfolio Investors	4,98,89,729	12.49
Banks, Financial Institutions	76,883	0.02
Insurance Companies	24,24,934	0.61
Others	13,740	0.00
Individual share capital upto Rs. 2 Lakhs	2,10,38,248	5.27
Individual share capital in excess of Rs. 2 Lakhs	17,94,125	0.45
Overseas Depositories (holding DRs) (balancing figure)	8,69,350	0.22
Any other	1,89,42,396	4.74
Sub Total	**9,98,65,631**	**25.00**
Total	**39,94,69,754**	**100.00**

The equity shares of Jindal Stainless Limited are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

BSE

The high and low closing prices and associated volumes of securities traded during last three years is as follows:

Period	High (in Rs.)	Date of High	Volume on date of high (no. of shares)	Low (in Rs.)	Date of Low	Volume on date of low (no. of shares)	Weighted Average Price (in Rs.)
2014	64.40	02/07/2014	4,27,836	28.50	16/12/2014	1,48,141	44.09
2015	61.40	17/11/2015	8,42,400	21.15	27/11/2015	31,470	41.50
2016	44.70	21/10/2016	6,92,027	14.20	02/06/2016	47,352	26.44

The high and low closing prices and associated volume of securities traded during the last six months is as follows:

Period	High (in Rs.)	Date of High	Volume on date of high (no. of shares)	Low (in Rs.)	Date of Low	Volume on date of low (no. of shares)	Weighted Average Price (in Rs.)
May 2017	83.45	15/05/2017	4,44,076	66.55	24/05/2017	79,786	74.70
April 2017	84.00	10/04/2017	3,00,174	70.00	03/04/2017	4,40,266	78.53
March 2017	77.70	17/03/2017	2,68,443	57.40	03/03/2017	1,72,856	67.78
February 2017	60.60	28/02/2017	7,50,017	48.50	15/02/2017*	14,65,531	52.65
January 2017	50.15	31/01/2017	5,35,817	37.40	02/01/2017	9,677	45.41
December 2016	40.85	14/12/2016	25,990	34.00	30/12/2016	23,198	37.95

*The date on which higher number of shares were traded is considered.

NSE

The high and low closing prices and associated volumes of securities traded during last three years is as follows:

Period	High (in Rs.)	Date of High	Volume on date of high (no. of shares)	Low (in Rs.)	Date of Low	Volume on date of low (no. of shares)	Weighted Average Price (in Rs.)
2014	64.95	02/07/2014	7,07,797	28.30	16/12/2014	4,90,363	44.05
2015	61.40	18/11/2015	12,97,633	19.95	19/11/2015	91,917	40.98
2016	44.50	21/10/2016	19,06,241	14.20	03/06/2016	4,87,615*	26.16

*The date on which higher number of shares were traded is considered.

The high and low closing prices and associated volume of securities traded during the last six months is as follows:

Period	High (in Rs.)	Date of High	Volume on date of high (no. of shares)	Low (in Rs.)	Date of Low	Volume on date of low (no. of shares)	Weighted Average Price (in Rs.)
May 2017	83.40	15/05/2017	25,12,235	67.00	24/05/2017	3,62,184	75.31
April 2017	83.20	07/04/2017	10,32,865	70.15	26/04/2017	2,27,681	78.07
March 2017	77.75	17/03/2017	14,43,377	57.25	03/03/2017	25,18,067	66.75
February 2017	60.65	28/02/2017	37,42,049	48.40	01/02/2017*	10,47,791	54.16
January 2017	50.00	30/01/2017	27,52,620*	37.30	02/01/2017	1,58,956	44.45
December 2016	40.80	14/12/2016	2,12,565	34.30	02/12/2016	1,60,313	37.81

*The date on which higher number of shares were traded is considered.

Financial performance

The audited financial results of Jindal Stainless Limited for the financial years ended March 31, 2017, 2016 and 2015 are set forth below.

(₹ in Lakhs)

Particulars	March 31, 2017*	March 31, 2016	March 31, 2015
Total Revenue	8,98,295.00	6,59,734.64	606,373.19
Net profit after tax	5,834.00	(38,780.89)	22,307.94
Equity Share Capital	7,989.00	4,623.71	4,527.50
Preference Share Capital	-	-	96.21
Reserves & Surplus	1,66,132.00	(63,490.87)	(21,821.34)
Net Worth	1,74,122.00	(58,867.16)	(17,293.84)
Book Value (in ₹) of face value ₹ 2 each	43.59	(25.46)	(7.64)
EPS (in ₹) of face value ₹ 2 each	1.63	(16.95)	10.21

**The Company has adopted Indian Accounting Standards (IND AS) prescribed under section 133 of the Companies Act, 2013, read with the Companies (Accounting Standard) Rules, 2015 w.e.f. April 1, 2016 and the results for the Financial year ended March 31, 2017 has been prepared in compliance with IND AS.*

2. Jindal Stainless (Hisar) Limited
3. Jindal Saw Limited
4. Hexa Tradex Limited
5. JSW Holdings Limited
6. Jindal Steel & Power Limited
7. OPJ Trading Private Limited
8. Everplus Securities & Finance Limited
9. Goswamis Credits & Investment Limited
10. Manjula Finances Limited
11. Renuka Financial Services Limited
12. Rohit Tower Building Limited
13. Jindal Rex Exploration Private Limited
14. Siddeshwari Tradex Private Limited
15. Vrindavan Services Private Limited
16. Nalwa Engineering Company Limited
17. Sahyog Holdings Private Limited
18. Gagan Trading Company Limited
19. OPJ Investments And Holdings Limited
20. Salasar Finvest Limited
21. Wachovia Investments Private Limited
22. Jindal Coated Steel Private Limited
23. Aras Overseas Private Limited
24. Baltimore Trading Private Limited
25. Kamshet Investments Private Limited
26. Musuko Trading Private Limited
27. Nalwa Financial Services Limited
28. Nalwa Fincap Limited
29. Vrindavan Fintrade Limited
30. Quality Iron and Steel Limited
31. Jindal Seamless Tubes Limited
32. Jindal Holdings Limited
33. Sonabheel Tea Limited

DIVIDEND POLICY

The declaration and payment of dividend on the Equity Shares will be recommended by our Board and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by the Board.

Our Company has not declared dividend in past five financial years.

FINANCIAL STATEMENTS

STANDALONE FINANCIAL STATEMENTS

Report of the Independent Auditor on the Summary of Restated Standalone Financial Statements

To,
The Board of Directors,
Shalimar Paints Limited
Stainless Centre, 4th floor,
Plot No. 50, Sector 32,
Gurugram - 122001,Haryana

Dear Sirs,

1. We have examined the attached Restated Standalone Financial Information of Shalimar Paints Limited ("the Company") for the purpose of its inclusion in the offer letter ("Offer Letter") prepared by the Company in connection with its proposed right issue ("Right issue").Such financial information comprises of:

(A) Financial Information as per Summary of Restated Standalone Financial Statements; and

(B) Other Financial Information which have been approved by the Board of Directors of the Company and prepared in accordance with the requirements of:

(a) Section26(1)(b) of the CompaniesAct,2013 ("The Act") read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules,2014; and

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009, as amended ("SEBI Regulations").

2. We have examined such financial information with regard to:

(a) the terms of reference agreed with the Company vide Engagement letter dated 30th April, 2017 relating to the work to be performed on such financial information, proposed to be included in the Offer Letter of the Company in connection with its proposed right issue; and

(b) the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India.

3. Financial Information

The financial information referred to above, relating to profits/ losses , assets and liabilities and cash flows of the Company is contained in the following annexures to this report (collectively referred to as the "Summary of Restated Standalone Financial Statements"):

(a) **Annexure I** containing the Restated Standalone Summary Statement of Assets and Liabilities, as at March 31,2017,2016,2015,2014 and 2013 (Note No. 2.1 to 2.19).

(b) **Annexure II** containing the Restated Standalone Summary Statement of Profit and Loss, for the years ended March 31,2017,2016,2015,2014 and 2013 (Note No. 2.20 to 2.27).

(c) **Annexure III** containing the Restated Standalone Summary Statement of Cash Flows, for the years ended March 31,2017,2016,2015, 2014 and 2013.

(d) **Annexure IV** containing the Restated Standalone Statement of Significant Accounting Policies (Note No. 1.1 to 1.14).

(e) **Annexure V** containing the Restated Standalone Statement of Notes to Summary Financial Statements (Note No. 2.28 to 2.52)

The aforesaid Summary of Restated Standalone Financial Statements have been extracted by the Management from the audited standalone financial statements of the Company for those periods.

The standalone financial statements of the Company for the years ended March 31,2017,2016,2015,2014 and 2013 were audited by us and we had issued unqualified opinion vide our reports dated May 24, 2017,May 28,2016, May 30,2015,May 30,2014 and May 25,2013 respectively.

4. Other Financial Information

Other Financial Information relating to the Company which is based on the Summary of Restated Standalone Financial Statements prepared by the management and approved by the Board of Directors, is attached in Annexure VI to VIII to this report as listed hereunder:

a) **Annexure VI** –Restated Standalone Summary Statement on the Adjustments to Audited Financial Statements;
b) **Annexure VII**-Restated Standalone Summary Statement of Accounting Ratios;
c) **Annexure VIII**– Restated Standalone Summary Statement of Capitalization.

5. The Restated Summary Financial Statements do not contain all the disclosures required by the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act,1956 and /or as referred to in Section133 of the Companies Act, 2013 applied in the preparation of the audited financial statements of the Company. Reading the Restated Summary Financial Statements, therefore, is not a substitute for reading the audited financial statements of the Company.

6. Management Responsibility on the Summary of Restated Standalone Financial Statements and Other Financial Information

Management is responsible for the preparation of Summary of Restated Standalone Financial Statements and Other Financial Information relating to the Company in accordance with Section 26(1)(b) of the Act read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules,2014 and the SEBI Regulations.

7. Auditors' Responsibility

Our responsibility is to express an opinion on the Summary of Restated Standalone Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagement to Report on Summary Financial Statements "issued by the Institute of Chartered Accountants of India.

8. Opinion

In our opinion, the financial information of the Company as stated in Para 3 above and Other Financial Information as stated in Para 4 above, read with the Statement of Significant Accounting Policies enclosed in **Annexure IV** to this report, after making such adjustments / restatements and regroupings as considered appropriate, as stated in Statement on Adjustments to Audited Financial Statements enclosed in **Annexure VI**, have been prepared in accordance with Section 26(1)(b) of the Act read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI Regulations.

The Summary of Restated Standalone Financial Statements have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the Statement on Adjustments to Audited Financial Statements in **Annexure VI** to this report. Based on our examination of the same, we confirm that:

a) there are no qualifications in the auditors' reports that require an adjustment in the Summary of Restated Standalone Financial Statements;

b) aadjustments for the material amounts, in the respective period/years to which they relate have been made in the attached summary of Restated Standalone Financial Statements:

c) there are no further extraordinary/exceptional items other than those disclosed in the Summary of Restated Standalone Financial Statements.

d) there is no change in accounting policy for all the reporting periods. Hence, there is no adjustments for the changes in accounting policies retrospectively in the reported financial years.

9. The figures included in the Summary of Restated Standalone Financial Statements and Other Financial Information do not reflect the events that occurred subsequent to the date of the audit reports on the respective periods referred to above.

10. This report should not in any way be construed as are issuance or redating of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.

11. We did not perform audit tests for the purpose of expressing an opinion on individual balances or summaries of selected transactions, and accordingly, we express no such opinion thereon.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. This report is issued at the specific request of the Company for your information and inclusion in the Offer letter to be filed by the Company with SEBI and Stock Exchanges in connection with the Proposed Right issue of equity shares of the Company. This report may not be useful for any other purpose.

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

(Anup Kumar Dubey)
Partner.
Membership No. 054975

Place: Gurugram
Date:24th May, 2017

Annexure I - Restated Standalone Summary Statement of Assets and Liabilities

(Rs in Lakhs)

Particulars	Note No.	As at March 31st, 2017	2016	2015	2014	2013
EQUITY AND LIABILITIES						
1 Shareholders' fund						
(a) Share Capital	2.1	378.93	378.93	378.57	378.57	378.57
(b) Reserves and Surplus	2.2	5,289.06	6,014.34	5,551.25	6,710.81	6,796.09
		5,667.99	**6,393.27**	**5,929.82**	**7,089.38**	**7,174.66**
2 Non-Current Liabilities						
(a) Long-Term Borrowings	2.3	2,367.07	3,356.71	1,842.69	1,344.68	705.30
(b) Deferred Tax Liabilities (Net)	2.4	-	-	-	199.57	236.75
(c) Other Long Term Liabilities	2.5	27.60	30.38	28.20	33.70	54.29
(d) Long- Term Provisions	2.6	797.92	771.64	747.30	778.31	697.22
		3,192.59	**4,158.73**	**2,618.19**	**2,356.26**	**1,693.56**
3 Current Liabilities						
(a) Short Term Borrowings	2.7	10,768.51	9,402.18	10,985.00	9,649.70	8,104.63
(b) Trade Payables	2.8					
- Due to Micro and Small Enterprises		-	-	-	-	-
- Due to Others		16,022.09	15,624.73	15,639.33	16,012.10	16,260.71
(c) Other Current Liabilities	2.9	2,919.11	3,227.72	2,658.63	2,716.81	2,812.12
(d) Short Term Provision	2.10	5.85	4.89	6.07	10.43	168.91
		29,715.56	**28,259.52**	**29,289.03**	**28,389.04**	**27,346.37**
Total		**38,576.14**	**38,811.52**	**37,837.04**	**37,834.68**	**36,214.59**
ASSETS						
1 Non Current Assets						
(a) Fixed Assets						
(i) Tangible Assets	2.11	5,677.40	6,206.41	6,485.45	2,575.93	2,706.05
(ii) Intangible Assets	2.11	185.38	257.18	287.95	168.60	98.71
(iii) Capital Work -In -progress	2.11	1,373.98	553.15	76.60	1,763.60	787.54
(b) Non current Investment	2.12	64.73	84.73	84.73	84.73	80.73
(c)Long - Term loans and advances	2.13	1,612.49	1,233.47	1,218.79	1,112.65	1,100.98
(d) Deferred Tax Assets (Net)	2.4	712.15	308.12	167.65	-	-
		9,626.13	**8,643.06**	**8,321.17**	**5,705.51**	**4,774.01**
2 Current Assets						
(a) Current Investment	2.14	285.47	-	-	-	-
(b) Inventories	2.15	9,255.34	11,092.13	10,597.90	12,135.26	13,196.54
(c) Trade receivable	2.16	12,469.95	14,364.19	15,362.14	16,065.13	15,374.62
(d) Cash and Cash equivalents	2.17	1,194.99	896.15	93.33	446.29	1,515.84
(e) Short term loans and advances	2.18	650.96	553.71	412.32	403.86	221.18
(f) Other current assets	2.19	5,093.30	3,262.28	3,050.18	3,078.63	1,132.40
		28,950.01	**30,168.46**	**29,515.87**	**32,129.17**	**31,440.58**
Total		**38,576.14**	**38,811.52**	**37,837.04**	**37,834.68**	**36,214.59**

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

This is the Balance Sheet referred to in our report of even date.

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

Anup Kumar Dubey
Partner
M. No. 054975

For and on behalf of the Board

Sandeep Gupta
Chief Financial Officer

Surender Kumar
Managing Director & CEO
DIN: 00510137

Nitin Gupta
Company Secretary
M. No. F8485

Annexure II - Restated Standalone Summary Statement of Profit and Loss

(Rs in Lakhs)

	Particulars	Note No.	For the year ended				
			2017	2016	2015	2014	2013
I.	**Revenue from Operations**	2.20	41,360.08	45,262.26	48,324.82	53,958.89	56,300.37
	Less : Excise Duty		4,433.06	4,968.93	4,997.90	5,677.00	6,133.52
			36,927.02	**40,293.33**	**43,326.92**	**48,281.89**	**50,166.85**
II.	**Other Income**	2.21	105.05	74.48	131.54	648.21	49.07
III.	**Total Revenue (I + II)**		**37,032.07**	**40,367.81**	**43,458.46**	**48,930.10**	**50,215.92**
	Expenses :						
	Cost of materials consumed	2.22	19,056.67	23,541.61	26,783.53	31,591.30	34,283.27
	Purchases of Stock-in-trade	2.23	4,204.23	3,222.61	3,170.77	3,624.06	2,366.99
	Changes in inventories of finished goods, work-in-progress and Stock-in-trade	2.24	1,098.58	(481.80)	758.03	(45.81)	(1,248.80)
	Employee benefits expense	2.25	3,478.52	3,464.98	3,669.79	3,821.42	2,871.42
	Finance Costs	2.26	2,257.13	2,215.13	2,065.18	2,097.48	1,657.62
	Depreciation and amortization expense	2.11	421.97	504.01	475.76	378.03	437.88
	Other expense	2.27	7,645.37	7,497.21	8,062.84	7,696.20	7,988.31
IV.	**Total Expenses**		**38,162.47**	**39,963.75**	**44,985.90**	**49,162.68**	**48,356.69**
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**		**(1,130.40)**	**404.06**	**(1,527.44)**	**(232.58)**	**1,859.23**
VI.	Exceptional Items	2.51	-	-	-	-	211.78
VII.	**Profit before extraordinary items and tax (V-VI)**		**(1,130.40)**	**404.06**	**(1,527.44)**	**(232.58)**	**1,647.45**
VIII.	Extraordinary items		-	-	-	-	-
IX.	**Profit before tax (VII - VIII)**		**(1,130.40)**	**404.06**	**(1,527.44)**	**(232.58)**	**1,647.45**
X.	**Tax expense:**						
	(1) Current Tax		-	-	-	-	489.38
	(2) Deferred Tax (Assets)/liabilities		(404.03)	(140.47)	(367.22)	(37.18)	1.46
	Total Tax expenses		**(404.03)**	**(140.47)**	**(367.22)**	**(37.18)**	**490.84**
XI.	**Profit/(Loss) for the Year (IX - X)**		**(726.37)**	**544.53**	**(1,160.22)**	**(195.40)**	**1,156.61**

Notes referred to above form an integral part of the accounts

This is the Balance Sheet referred to in our report of even date

For CHATURVEDI & PARTNERS
Chartered Accountants
(Firm Regn. No. 307068E)
Anup Kumar Dubey
Partner
M. No. 054975

For and on behalf of the Board

Sandeep Gupta
Chief Financial Officer

Surender Kumar
Managing Director & CEO
DIN: 00510137

Nitin Gupta
Company Secretary
M.No. F8485

Annexure III - Restated Standalone Summary Statement of Cash Flows

(Rs in Lakhs)

	Particulars	For The Year Ended March 31st,				
		2017	**2016**	**2015**	**2014**	**2013**
A.	**CASH FLOW FROM OPERATING ACTIVITY**					
	Net Profit before Tax and Extraordinary items	(1,130.40)	404.06	(1,527.44)	(232.58)	1,859.23
	Adjusted for :					
	Depreciation	421.97	504.01	475.76	378.03	437.88
	Interest Income	(28.22)	(7.81)	(2.74)	(4.93)	(2.93)
	Bad debts	-	20.76	15.34	237.59	33.83
	Interest Expenses	2,257.13	2,215.13	2,065.18	2,097.48	1,657.62
	Loss / (Profit) on sale of Fixed Assets	39.55	(4.03)	(127.06)	(575.21)	2.38
	Loss / (Profit) on sale of Investments	(18.66)	-	-	-	-
	Exceptional items					(211.78)
	Operating Profit before Working Capital Changes	**1,541.37**	**3,132.12**	**899.04**	**1,900.38**	**3,776.23**
	Adjusted for:					
	Trade and Other Receivables	(407.57)	615.11	615.16	(2,781.51)	(3,073.67)
	Inventories	1,836.79	(494.23)	1,537.36	1,061.28	(2,615.35)
	Trade Payables & Other Liabilities	44.82	(325.27)	(642.16)	(179.05)	4,025.06
	Direct Taxes paid (net of refund)	(5.49)	(6.11)	(13.66)	(439.10)	(689.34)
	Cash Generated from Operating Activities	**3,009.92**	**2,921.62**	**2,395.74**	**(438.00)**	**1,422.93**
B	**CASH FLOW FROM INVESTING ACTIVITIES**					
	Purchase of Fixed Assets	(1,000.16)	(674.35)	(2,777.69)	(1,449.38)	(1,064.06)
	Sale of Fixed Assets	318.63	7.63	87.12	730.73	7.62
	Purchase of Non Current Investment	(914.53)	-	-	(4.00)	(1.01)
	Sale of Non Current Investments	953.19	-	-	-	-
	Net Purchase of Current Investments	(285.47)	-	-	-	-
	Interest /Other Income Received	28.22	7.81	2.74	4.93	2.93
	Net Cash used in Investing Activity	**(900.12)**	**(658.91)**	**(2,687.83)**	**(717.72)**	**(1,054.52)**
C	**CASH FLOW FROM FINANCIAL ACTIVITIES**					
	Net Proceeds from Long Term Borrowings	(940.50)	2,307.80	649.52	638.58	695.65
	Net Proceeds from Short Term Borrowings	1,366.33	(1,582.82)	1,335.30	1,545.07	1,223.80
	Proceeds from Issue of Share Capital	-	12.20	0.00	(0.00)	(0.00)
	Dividend Paid					(439.97)
	Interest Paid	(2,236.79)	(2,197.07)	(2,045.69)	(2,097.48)	(1,657.62)
	Net Cash used in Financing Activities	**(1,810.96)**	**(1,459.89)**	**(60.87)**	**86.17**	**(178.14)**
	Net Increase in Cash and Cash Equivalents (A+B+C)	**298.84**	**802.82**	**(352.96)**	**(1,069.55)**	**190.27**
	Opening Balance of Cash and Cash Equivalents	896.15	93.33	446.29	1,515.84	1,325.57
	Closing Balance of Cash and Cash Equivalents	**1,194.99**	**896.15**	**93.33**	**446.29**	**1,515.84**

Cash and cash equivalents in the balance sheet comprise of cash at bank and in hand and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure I to Annexure III.

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

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

Anup Kumar Dubey
Partner
M. No. 054975

For and on behalf of the Board

Sandeep Gupta
Chief Financial Officer

Surender Kumar
Managing Director & CEO
DIN: 00510137

Nitin Gupta
Company Secretary
M. No. F8485

Note 1. Restated Standalone Statement of Significant Accounting Policies - Annexure IV

1.1 GENERAL

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

1.2 FIXED ASSETS

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

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

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

1.3 LEASE ACCOUNTING

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

1.4 DEPRECIATION

Depreciation on fixed assets in previous year as well as in current year is provided at the rates and in the manner specified in Schedule II of the Companies Act, 2013 and in respect of assets added/disposed off during the year on pro-rata basis with reference to the date of its use / disposal/residual value:

a) In respect of assets located at Nasik and Sikandarabad - on straight line method.

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

1.5 INVESTMENTS

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

1.6 FOREIGN CURRENCY TRANSACTIONS

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

1.7 INVENTORIES

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

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

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

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

1.8 SALES

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

1.9 RETIREMENT BENEFITS TO EMPLOYEES

(i) The Company operates defined contributions schemes.

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

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

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

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

1.10 BORROWING COST

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

1.11 TAXES ON INCOME

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

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

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

1.12 VOLUNTARY RETIREMENT SCHEME

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

1.13 EMPLOYEE STOCK OPTION SCHEME

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

1.14 CONTINGENT LIABILITIES

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

Restatement Standalone Statement of Notes to Account
Restated Detail of Share Capital

(Rs in Lakhs)

2.1	Particulars	As at March 31st, 2017	2016	2015	2014	2013
(i)	**Authorised Capital**					
	4 00 00 000 Equity Shares of Rs. 2 each	**800.00**	**800.00**	**800.00**	**800.00**	**800.00**
(ii)	**Issued, Subscribed and Fully Paid-up**	**378.92**	**378.92**	**378.56**	**378.56**	**378.56**
	1,89,45,975 Equity Shares of Rs. 2 each from 2016					
	1,89,28,000 Equity Shares of Rs. 2 each upto 2015					
(iii)	**Share Forfeiture Account**	**0.01**	**0.01**	**0.01**	**0.01**	**0.01**
	Total	**378.93**	**378.93**	**378.57**	**378.57**	**378.57**

(iv)	**Reconciliation of Number of Shares and share capital**										
	Particulars	**As at March 31 , 2017**		**As at March 31 , 2016**		**As at March 31 , 2015**		**As at March 31 , 2014**		**As at March 31 , 2013**	
		No. of Shares	**Amount**	**No. of Shares**	**Amount**	**No. of Shares**	**Amount**	**No. of Shares**	**Amount**	**No. of Shares**	**Amount**
	Number of shares vis-à-vis amount at the beginning	**18,945,975**	**378.92**	**18,928,100**	**378.56**	**18,928,100**	**378.56**	**18,928,100**	**378.56**	**3,785,620**	**378.56**
	Add: Shares issued *	**-**	**-**	**17,875**	**0.36**	**-**	**-**	**-**	**-**	**15,142,480**	**-**
	Number of shares vis-à-vis amount at the end	**18,945,975**	**378.92**	**18,945,975**	**378.92**	**18,928,100**	**378.56**	**18,928,100**	**378.56**	**18,928,100**	**378.56**
	* Increase in number of shares consequent upon splitting of equity share of face value of Rs. 10 each to face value of Rs. 2 each as per resolution passed at EGM dated October 26, 2012 by shareholder.										
(v)	**Rights, preferences and restrictions attached to shares**										
	The Company has one class of equity shares having a par value of 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.										
(vi)	**Details of Shareholders holding more than 5% of the aggregate shares of the company:**										

	Name of Share holders	As at March 31 , 2017		As at March 31 , 2016		As at March 31 , 2015		As at March 31 , 2014		As at March 31 , 2013	
		No. of Shares	% held	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
	HIND STRATEGIC INVESTMENTS	**5,841,570**	**30.83**	**5,841,570**	**30.83**	**5,841,570**	**30.86**	**5,841,570**	**30.86**	**5,841,570**	**30.86**
	HEXA SECURITIES AND FINANCE CO. LTD.	**1,500,000**	**7.92**	**1,500,000**	**7.92**	**1,500,000**	**7.92**	**1,500,000**	**7.92**	**1,500,000**	**7.92**
	NALWA SONS INVESTMENTS LTD (FORMERLY JINDAL STRIPS LIMITED)	**1,372,590**	**7.24**	**1,372,590**	**7.24**	**1,372,590**	**7.25**	**1,372,590**	**7.25**	**1,372,590**	**7.25**
	COLORADO TRADING COMPANY LIMITED	**1,224,635**	**6.46**	**1,224,635**	**6.46**	**1,224,635**	**6.47**	**1,224,635**	**6.47**	**1,224,625**	**6.47**
	NALWA INVESTMENTS LIMITED	**1,193,855**	**6.30**	**1,193,855**	**6.30**	**1,193,855**	**6.30**	**1,193,855**	**6.30**	**1,193,855**	**6.30**

(Rs in Lakhs)

Particulars	As at March 31st,				
	2017	**2016**	**2015**	**2014**	**2013**
2.2 Restated Reserves and Surplus					
Reserve and Surplus consist of Following reserves :					
(i) Capital Reserve					
Opening Balance	32.24	32.24	32.24	32.24	32.24
Addition during the year (net)	-	-	-	-	-
	32.24	**32.24**	**32.24**	**32.24**	**32.24**
(ii) Restricted stock units reserve					
Employee Stock Options Outstanding	17.51	110.78	110.12	-	-
Addition during the year (net)	1.09	(93.27)	0.66	110.12	-
	18.60	**17.51**	**110.78**	**110.12**	**-**
(iii) Securities Premium Account					
Opening Balance	961.10	949.27	949.27	949.27	949.27
Addition during the year (net)	-	11.83	-	-	-
	961.10	**961.10**	**949.27**	**949.27**	**949.27**
(iv) Fixed Asset Revaluation Reserve					
Opening Balance	-	-	-	-	286.31
Transferred to Profit and Loss Statement	-	-	-	(1.09)	(4.50)
Less Revaluation Reserve	-	-	-	1.09	(281.81)
	-	**-**	**-**	**-**	**-**
(v) Export Profit Reserve					
Opening Balance	-	-	-	-	1.95
Addition during the year (net)	-	-	-	-	(1.95)
	-	**-**	**-**	**-**	**-**

(vi)	**General Reserve**					
	Opening Balance	3,758.51	3,758.51	3,758.51	3,758.51	3,756.56
	Add: Transferred from the Statement of Profit and Loss	-	-	-	-	-
	Add: Transferred from Export Profit Reserve	-	-	-	-	1.95
		3,758.51	**3,758.51**	**3,758.51**	**3,758.51**	**3,758.51**
(vii)	**Surplus in the Statement of Profit and loss**					
	Opening Balance	1,244.98	700.45	1,860.67	2,056.07	899.46
	Add: Profit for the year	(726.37)	544.53	(1,160.22)	(195.40)	1,156.61
		518.61	**1,244.98**	**700.45**	**1,860.67**	**2,056.07**
	LESS : APPROPRIATIONS					
	General Reserve	-	-	-	-	-
	Proposed Dividend	-	-	-	-	-
	Provision for Tax on Dividend	-	-	-	-	-
		518.61	**1,244.98**	**700.45**	**1,860.67**	**2,056.07**
	Closing Balance	**5,289.06**	**6,014.34**	**5,551.25**	**6,710.81**	**6,796.09**

(Rs in Lakhs)

	Particulars	**As at March 31st,**				
		2017	**2016**	**2015**	**2014**	**2013**
2.3	**Restated Long-Term Borrowings**					
(i)	**Secured Term Loan South Project**					
	10.95%, HDFC Bank Ltd (repayable in 11 Quarterly installments, Starting from 29.11.2015 and ending on 29.05.2018)	75.30	377.26	677.71	377.10	
	11.25 %, State Bank of India (Repayable in 28 monthly installments starting from 30.04.2016 and ending on 31. 07. 2018)	144.00	665.00	1,164.98	965.96	700.25
		219.30	**1,042.26**	**1,842.69**	**1,343.06**	**700.25**
	[Secured by (i) first charge , ranking pari passu , by way of an equitable mortgage on the land and building , and hypothecation of other fixed assets thereon , at the Company's factory at Nasik, Maharashtra (ii) first charge , ranking pari passu, by way of hypothecation of plant and machinery at the Company's factory situated at Howrah, West Bengal (iii) second charge, raking pari passu , on the fixed assets of the Company at its factory situated at Sikandarabad, Uttar Pradesh (iv) first pari passu charge by way of equitable mortgage of land and building of the Company situated at village-Chinnapuliyur , Taluka- Gummidipoondi ,District - Thiruvallur, Tamil Nadu ; and hypothecation charge over plant and machinery to be purchased out of the term loan (v) Second pari passu charge on the entire current assets of the Company.]					

(ii)	**Term Loan (Others) (refer note no. 2.46)**					
	13.5% India Bulls Housing Finance Ltd (Repayable in 84 monthly installments starting from 05.05.2016 and ending on 05.04.2023) (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)	405.90	458.01	-	-	-
	13.0% Religare Finvest Ltd (Repayable in 117 monthly installments starting from 01.08.2016 and ending on 01.04.2026) [Secured by First charge on company's the immovable & movable properties of Sikandarabad plant situated at Plot No A1 & A2 UPSIDC Industrial Area, Sikandarabad Distt- Bulandshahar (U.P)]	1,741.87	1,856.44	-	-	-
		2,147.77	**2,314.45**	-	-	-
(iii)	**Vehicle loan From HDFC Bank Ltd**					
	Secured by hypothecation of vehicle. The loan has been fully repaid in financial year 2014-15.	-	-	-	1.62	5.05
		-	**-**	**-**	**1.62**	**5.05**
	Closing Balance	**2,367.07**	**3,356.71**	**1,842.69**	**1,344.68**	**705.30**

(Rs in Lakhs)

	Particulars	**As at March 31st,**				
		2017	**2016**	**2015**	**2014**	**2013**
2.4	**Restated Deferred Tax Assets /(Liabilities) (net)**					
(i)	**Deferred Tax Assets**	983.32	683.28	597.17	108.38	37.37
	Carried forward losses					
	Expenses allowable on payment basis					
(ii)	**Deferred Tax Liabilities**	(271.17)	(375.16)	(429.52)	(307.95)	(274.12)
	Depreciation and related items					
	Net deferred tax assets/(liabilities)	**712.15**	**308.12**	**167.65**	**(199.57)**	**(236.75)**
2.5	**Restated Other Long Term Liabilities**					
	Trade and Security Deposit	27.60	30.38	28.20	33.70	54.29
	Closing Balance	**27.60**	**30.38**	**28.20**	**33.70**	**54.29**
2.6	**Restated Long Term Provisions**					
	Provision for Employees' Benefits (note 2.42)	497.92	471.64	447.30	478.31	397.22
	Others	300.00	300.00	300.00	300.00	300.00
	Closing Balance	**797.92**	**771.64**	**747.30**	**778.31**	**697.22**
2.7	**Restated Short Term Borrowings**					
	Secured					
(i)	**Loans repayable on demand**					
	From Bank (Cash credit and WCDL) [Secured by (i) first charge , ranking pari passu (a) by way of hypothecation on the entire stocks and current assets of the Company (b) by way of equitable mortgage of land and building, and hypothecation of other fixed assets thereon, of the Company's factory, at Nasik, Maharashtra (c) by way of hypothecation of plant and machinery at the Company's factory situated at Howrah, West Bengal (ii) second charge , ranking pari passu,(a) on the fixed assets of the Company at its factory situated at Sikandarabad ,Uttar	10,768.51	9,402.18	10,985.00	9,649.70	7,104.63

	Pradesh (b) by way of equitable mortgage of land and building situated at village - Chinnapuliyur , Taluka-Gummidipoondi , District- Tiruvallur, Tamil Nadu ; and hypothecation of plant and machinery to be purchased out of term loan.]					
	Unsecured					
(ii)	Short Term Loan from banks	-	-	-	-	1,000.00
	Closing Balance	**10,768.51**	**9,402.18**	**10,985.00**	**9,649.70**	**8,104.63**
2.8	**Restated Trade Payables**					
(i)	Due to Micro and Small Enterprises	-	-	-	-	-
(ii)	Due to Others (including acceptances)	16,022.09	15,624.73	15,639.33	16,012.10	16,260.71
	Closing Balance	**16,022.09**	**15,624.73**	**15,639.33**	**16,012.10**	**16,260.71**

(Rs in Lakhs)

Particulars	**As at March 31st,**				
	2017	**2016**	**2015**	**2014**	**2013**
2.9 Restated Other Current Liabilities					
Secured					
(i) Current Maturity of Long-term debts	995.89	946.75	152.97	1.46	2.26
(ii) Interest accrued and due on borrowings	57.89	37.55	19.49	-	-
(iii) Unpaid Dividend	10.02	11.75	15.01	18.18	20.63
(iv) Other Payables					
Employee's remuneration	262.51	174.56	350.78	317.54	186.33
Statutory Payment	872.74	543.98	692.62	632.95	728.52
Advance from Customer	178.94	380.26	351.23	98.30	64.84
Others (Operating Expenses)	541.12	1,132.87	1,076.53	1,648.38	1,809.54
Closing Balance	**2,919.11**	**3,227.72**	**2,658.63**	**2,716.81**	**2,812.12**
2.10 Restated Short Term Provision					
Others					
(i) Provision for Income Tax (net)	-	-	-	-	151.93
(ii) Provision for Employee Benefits	5.85	4.89	6.07	10.43	16.98
Closing Balance	**5.85**	**4.89**	**6.07**	**10.43**	**168.91**
2.11 Restated Fixed assets					
Tangible Assets	5,677.40	6,206.41	6,485.45	2,575.93	2,706.05
Intangible Assets	185.38	257.18	287.95	168.60	98.71
Capital Work in Progress	1,373.98	553.15	76.60	1,763.60	787.54
Closing Balance	**7,236.76**	**7,016.74**	**6,850.00**	**4,508.13**	**3,592.30**

Note No: 2.11 Restated Standalone Fixed Assets Schedule for the year ended 31st March, 2017

(Rs in Lakhs)

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at Apr 1,2016	Additions	Deletion / Adjustments	As at Mar 31,2017	As at Apr 1,2016	For the year	Deletion / Adjustments	As at Mar 31,2017	As at Mar 31,2017	As at Mar 31,2016
I. Tangible Assets										
LAND	315.73	-	-	**315.73**	-	-	-	-	**315.73**	315.73
BUILDING	4,833.08	7.65	577.41	**4,263.32**	891.65	43.36	395.49	**539.52**	**3,723.80**	3,941.43
PLANT & MACHINERY	2,444.07	95.26	803.65	**1,735.68**	1,351.31	105.68	680.95	**776.04**	**959.65**	1,092.76
LEASED EQUIPMENT	1,948.70	38.78	-	**1,987.49**	1,315.41	134.37	-	**1,449.78**	**537.71**	633.30
FURNITURE AND FIXTURE	474.70	2.30	130.72	**346.28**	325.39	34.21	78.12	**281.48**	**64.80**	149.31
OFFICE EQUIPMENT	943.43	32.72	24.60	**951.55**	882.28	24.65	23.64	**883.28**	**68.26**	61.15
MOTOR VEHICLES	108.22	-	-	**108.22**	95.49	5.28	-	**100.77**	**7.45**	12.73
TOTAL (A)	**11,067.95**	**176.71**	**1,536.39**	**9,708.27**	**4,861.53**	**347.54**	**1,178.20**	**4,030.87**	**5,677.40**	**6,206.41**
II. Intangible Assets										
Computer software	770.06	2.62	-	**772.68**	631.13	52.70	-	**683.83**	**88.85**	138.93
Trade Mark	93.41	-	-	**93.41**	43.63	13.44	-	**57.07**	**36.34**	49.78
Technical know how	132.01	-	-	**132.01**	63.53	8.29	-	**71.82**	**60.19**	68.47
Total (B)	**995.48**	**2.62**	**-**	**998.10**	**738.29**	**74.43**	**-**	**812.72**	**185.38**	**257.18**
III. Capital Work In Progress	553.15	848.13	27.29	**1,373.98**	-	-	-	-	**1,373.98**	553.15
Total (C)	**553.15**	**848.13**	**27.29**	**1,373.98**	**-**	**-**	**-**	**-**	**1,373.98**	**553.15**
Total (A+B+C)	**12,616.57**	**1,027.46**	**1,563.68**	**12,080.35**	**5,599.82**	**421.97**	**1,178.20**	**4,843.58**	**7,236.76**	**7,016.73**

Note No: 2.11 Restated Standalone Fixed Assets Schedule for the year ended 31st March, 2016

(Rs. In Lakhs)

Particulars	GROSS BLOCK				ACCUMULATED D E P R E C I A T I O N				NET BLOCK	
	As at Apr 1,2015	Additions	Deletion / Adjustments	As at Mar 31,2016	As at Apr 1,2015	For the year	Deletion / Adjustments	As at Mar 31,2016	As at Mar 31,2016	As at Mar 31,2015
I. Tangible Assets										
LAND	315.73	-	-	**315.73**	-	-	-	**-**	**315.73**	315.73
BUILDING	4,812.73	20.35	-	**4,833.08**	840.16	51.49	-	**891.65**	**3,941.43**	3,972.57
PLANT & MACHINERY	2,456.40	83.69	96.02	**2,444.07**	1,317.13	126.74	92.56	**1,351.31**	**1,092.76**	1,139.28
LEASED EQUIPMENT	1,940.39	8.31	-	**1,948.70**	1,178.05	137.36	-	**1,315.41**	**633.30**	762.35
FURNITURE AND FIXTURE	471.86	2.96	0.12	**474.70**	276.19	49.24	0.04	**325.39**	**149.31**	195.67
OFFICE EQUIPMENT	931.68	15.01	3.26	**943.43**	849.51	36.04	3.26	**882.28**	**61.15**	82.17
MOTOR VEHICLES	113.41	-	5.19	**108.22**	95.73	4.89	5.13	**95.49**	**12.73**	17.67
TOTAL (A)	**11,042.21**	**130.32**	**104.59**	**11,067.94**	**4,556.77**	**405.76**	**100.99**	**4,861.53**	**6,206.41**	**6,485.45**
II. Intangible Assets										
Computer software	702.58	67.48	-	**770.06**	559.67	71.46	-	**631.13**	**138.93**	142.91
Trade Mark	93.41	-	-	**93.41**	25.22	18.41	-	**43.63**	**49.78**	68.18
Technical know how	132.00	-	-	**132.00**	55.15	8.38	-	**63.53**	**68.47**	76.86
Total (B)	**927.98**	**67.48**	**-**	**995.46**	**640.04**	**98.25**	**-**	**738.29**	**257.18**	**287.95**
III. Capital Work In Progress	76.61	573.94	97.40	**553.15**	-	-	-	**-**	**553.15**	76.60
Total (C)	**76.61**	**573.94**	**97.40**	**553.15**	**-**	**-**	**-**	**-**	**553.15**	**76.60**
Total (A+B+C)	**12,046.79**	**771.74**	**201.99**	**12,616.54**	**5,196.81**	**504.01**	**100.99**	**5,599.82**	**7,016.73**	**6,850.00**

Note No: 2.11 Restated Standalone Fixed Assets Schedule for the year ended 31st March, 2015 **(Rs. In Lakhs)**

Particulars	GROSS BLOCK				ACCUMULATED D E P R E C I A T I O N				NET BLOCK	
	As at Apr 1,2014	Additions	Deletion / Adjustments	As at Mar 31,2015	As at Apr 1,2014	For the year	Deletion / Adjustments	As at Mar 31,2015	As at Mar 31,2015	As at Mar 31,2014
I. Tangible Assets										
LAND	315.73	-	-	**315.73**	-	-	-	-	**315.73**	315.73
BUILDING	1,446.62	3,280.80	(85.31)	**4,812.73**	730.85	56.88	(52.44)	**840.16**	**3,972.57**	715.77
PLANT & MACHINERY	1,650.90	837.73	32.23	**2,456.40**	1,264.15	94.78	41.81	**1,317.12**	**1,139.28**	386.75
LEASED EQUIPMENT	1,865.79	77.12	2.51	**1,940.39**	988.59	189.46	-	**1,178.05**	**762.35**	877.20
FURNITURE AND FIXTURE	393.59	78.27	-	**471.86**	234.05	42.14	-	**276.19**	**195.67**	159.54
OFFICE EQUIPMENT	902.06	29.62	-	**931.68**	806.98	42.53	-	**849.51**	**82.17**	95.08
MOTOR VEHICLES	113.41	-	-	**113.41**	87.55	8.19	-	**95.74**	**17.67**	25.86
TOTAL (A)	**6,688.10**	**4,303.54**	**(50.57)**	**11,042.21**	**4,112.17**	**433.97**	**(10.63)**	**4,556.77**	**6,485.45**	**2,575.93**
II. Intangible Assets										
Computer software	610.71	91.87	-	**702.58**	547.94	11.73	-	**559.67**	**142.91**	62.77
Trade Mark	93.41	-	-	**93.41**	-	25.22	-	**25.22**	**68.18**	93.41
Technical Know How	62.72	69.28	-	**132.01**	50.30	4.85	-	**55.15**	**76.86**	12.42
Total (B)	**766.84**	**161.15**	**-**	**927.99**	**598.24**	**41.80**	**-**	**640.04**	**287.95**	**168.60**
III. Capital Work In Progress	1,763.60	2,409.45	4,096.45	**76.60**	-	-	-	-	**76.60**	1,763.60
Total (C)	**1,763.60**	**2,409.45**	**4,096.45**	**76.60**	**-**	**-**	**-**	**-**	**76.60**	**1,763.60**
Total (A+B+C)	**9,218.53**	**6,874.14**	**4,045.88**	**12,046.79**	**4,710.42**	**475.76**	**(10.63)**	**5,196.81**	**6,850.00**	**4,508.13**

Note No: 2.11 Restated Standalone Fixed Assets Schedule for the year ended 31st March, 2014 **(Rs. In Lakhs)**

	GROSS BLOCK				ACCUMULATED D E P R E C I A T I O N				NET BLOCK	
	As at April 1,2013	Additions	Deletion / Adjustments	As at Mar 31,2014	As at April 1,2013	For the year	Deletion / Adjustments	As at Mar 31,2014	As at Mar 31,2014	As at April 1,2013
I. Tangible Assets										
LAND	303.79	11.94	-	**315.73**	-	-	-	-	**315.73**	303.79
BUILDING	1,701.55	9.09	264.02	**1,446.62**	811.35	54.00	134.50	**730.85**	**715.77**	890.20
PLANT & MACHINERY	1,897.26	63.00	309.36	**1,650.90**	1,477.55	69.96	283.36	**1,264.15**	**386.75**	419.71
LEASED EQUIPMENT	1,759.07	106.72	-	**1,865.79**	856.08	132.51	-	**988.59**	**877.20**	902.99
FURNITURE AND FIXTURE	273.44	120.15	-	**393.59**	221.91	12.14	-	**234.05**	**159.54**	51.53
OFFICE EQUIPMENT	853.01	49.05	-	**902.06**	748.68	58.30	-	**806.98**	**95.08**	104.33
MOTOR VEHICLES	113.41	-	-	**113.41**	79.91	7.64	-	**87.55**	**25.86**	33.50
TOTAL (A)	**6,901.53**	**359.95**	**573.38**	**6,688.10**	**4,195.48**	**334.55**	**417.86**	**4,112.17**	**2,575.93**	**2,706.05**
II. Intangible Assets										
Computer software	590.75	19.96	-	**610.71**	509.11	38.83	-	**547.94**	**62.77**	81.64
Technical know how	62.72	-	-	**62.72**	45.65	4.65	-	**50.30**	**12.42**	17.07
Trade Mark	-	93.41	-	**93.41**	-	-	-	-	**93.41**	-
Total (B)	**653.47**	**113.37**	**-**	**766.84**	**554.76**	**43.48**	**-**	**598.24**	**168.60**	**98.71**
III. Capital Work In Progress	-	1,763.60	-	**1,763.60**	-	-	-	-	**1,763.60**	787.54
Total (C)	**-**	**1,763.60**	**-**	**1,763.60**	**-**	**-**	**-**	**-**	**1,763.60**	**787.54**
Total (A+B+C)	**7,555.00**	**2,236.92**	**573.38**	**9,218.54**	**4,750.24**	**378.03**	**417.86**	**4,710.41**	**4,508.13**	**3,592.30**

Note 1: Depreciation for the year includes 10.31 Lakhs on account of assets whose life has elapsed.

Note No: 2.11 Restated Standalone Fixed Assets Schedule for the year ended 31st March, 2013 **(Rs. In Lakhs)**

Particulars	GROSS BLOCK					ACCUMULATED D E P R E C I A T I O N					NET BLOCK	
	As at April 1,2012	Revaluation Reserve	Additions	Deletion / Adjustments	As at March 31,2013	As at April 1,2012	Revaluation Reserve	For the year	Deletion / Adjustments	As at March 31,2013	As at March 31,2013	As at March 31,2012
I. Tangible Assets												
LAND	506.20	202.41	-	-	**303.79**	-	-	-	-	-	**303.79**	506.20
BUILDING	1,775.58	111.04	37.01	-	**1,701.55**	785.60	27.14	52.89	-	**811.35**	**890.20**	989.98
PLANT & MACHINERY	2,179.36	364.63	82.53	-	**1,897.26**	1,780.40	364.63	61.78	-	**1,477.55**	**419.71**	398.96
LEASED EQUIPMENT	1,559.54	-	213.76	(14.23)	**1,759.07**	726.84	-	129.38	(0.14)	**856.08**	**902.99**	832.70
FURNITURE AND FIXTURE	269.42	-	4.02	-	**273.44**	175.12	-	46.79	-	**221.91**	**51.53**	94.30
OFFICE EQUIPMENT	824.95	-	23.85	4.21	**853.01**	679.83	-	69.01	(0.16)	**748.68**	**104.33**	145.12
MOTOR VEHICLES	113.29	-	5.51	(5.39)	**113.41**	77.02	-	7.99	(5.10)	**79.91**	**33.50**	36.27
TOTAL (A)	**7,228.34**	**678.08**	**366.68**	**(15.41)**	**6,901.53**	**4,224.81**	**391.77**	**367.83**	**(5.41)**	**4,195.48**	**2,706.05**	**3,003.53**
II. Intangible Assets												
Computer software	590.01	-	0.74	-	**590.75**	443.70	-	65.41	-	**509.11**	**81.64**	146.31
Technical know how	62.72	-	-	-	**62.72**	41.00	-	4.65	-	**45.65**	**17.07**	21.72
Total (B)	**652.73**		**0.74**	-	**653.47**	**484.70**		**70.06**	-	**554.76**	**98.71**	**168.03**
III. Capital Work In Progress	-	-	787.54	-	**787.54**	-	-	-	-	-	**787.54**	90.90
Total (C)	-		**787.54**	-	**787.54**			-	-	-	**787.54**	**90.90**
Total (A+B+C)	**7,881.07**		**1,154.96**	**(15.41)**	**8,342.54**	**4,709.51**	**391.77**	**437.88**	**(5.41)**	**4,750.24**	**3,592.30**	**3,262.46**

Note 1: Depreciation for the year includes Rs. 53.79 lacks on account of assets whose life has elapsed.

Note 2: Accumulated Depreciation as on 01st April, 2012 includes Rs. 47.52 lacks on account of assets whose life has elapsed

Restated Standalone Statement of Notes to Summary Financial Statements **(Rs in Lakhs)**

Particulars	As at March 31st,				
	2017	2016	2015	2014	2013
2.12 Restated Non Current Investments - Other Investment, at cost					
(i) Investment in Equity Instruments - Unquoted					
(a) Shalimar Adhunik Nirman Ltd. (Subsidiary Company) (49990 Equity Shares of Rs. 10 each fully paid-up)	5.00	5.00	5.00	5.00	5.00
(450000 Equity Shares of Rs. 10 each Partly paid-up @ Rs.1 each)	4.50	4.50	4.50	4.50	4.50
(b) Eastern Specialty Paints & Coatings Pvt Ltd (50000 Equity Shares (10000 Equity Shares as on 31.03.2013) of Rs. 10 each fully paid-up)	5.00	5.00	5.00	5.00	1.00
(ii) Investment in Preference Shares - Unquoted					
Shalimar Adhunik Nirman Ltd. (Subsidiary Company) (50000, 6% Preference Shares non convertible of Rs. 100 each Fully paid up)	50.00	50.00	50.00	50.00	50.00
Other Investment					
(iii) Investment in Debentures or Bonds - Unquoted					
(Non Redeemable Mortgage Debenture Stock 1957)	0.06	0.06	0.06	0.06	0.06
Rs. 6,500 1/2% Woodland Medical Centre Ltd.	0.17	0.17	0.17	0.17	0.17
Rs. 17,000 5% Woodland Medical Centre Ltd.					
(iv) Investment in Mutual Funds - Quoted					
UTI Money Market Fund - Institutional Plan - Direct Plan Growth	-	20.00	20.00	20.00	20.00
Closing Balance	**64.73**	**84.73**	**84.73**	**84.73**	**80.73**
Aggregate amount of Unquoted Investments	64.73	64.73	64.73	64.73	60.73
Aggregate amount of Quoted Investments	-	20.00	20.00	20.00	20.00
Aggregate Market Value of Quoted Investments	-	19.04	22.44	15.25	13.48
2.13 Restated Long Terms Loans and advances					
(Unsecured, considered good)					
(i) Security Deposit	178.91	204.25	219.82	182.41	126.82
(ii) Capital advance	760.75	408.01	499.81	431.08	475.00
(iii) Loan and advances to related parties (Refer Note No. 2.39)	672.83	621.21	499.16	499.16	499.16
Closing Balance	**1,612.49**	**1,233.47**	**1,218.79**	**1,112.65**	**1,100.98**

2.14 Restated Current Investments -Trade Investment, at cost					
Investment in Mutual Funds - Quoted	285.47	-	-	-	-
UTI- Money Market Fund - Institutional Plan - Direct Plan-Growth (Market Value of 16000.36 Units @NAV Rs 1824.22)					
Closing Balance	**285.47**	**-**	**-**	**-**	**-**
Market value of Quoted Investment	**291.88**	**-**	**-**	**-**	**-**

(Rs in Lakhs)

Particulars	As at March 31st,				
	2017	2016	2015	2014	2013
2.15 Restated Inventories					
1) Raw Material					
i) Raw Material	1,525.07	2,231.06	2,304.29	2,757.32	4,246.00
ii) Raw Material in Transit	52.94	129.17	22.97	364.81	-
2) Work- in -Progress	156.52	326.38	232.81	241.78	444.49
3) Finished Goods					
i) Finished Goods*	7,085.21	7,959.46	7,649.42	8,650.14	8,401.62
ii) Finished Goods in Transit	275.37	329.85	251.66	-	-
4) Stores and spares	160.23	116.21	136.75	121.21	104.43
Closing Balance	**9,255.34**	**11,092.13**	**10,597.90**	**12,135.26**	**13,196.54**
*Finished goods include stock in trade					
2.16 Restated Trade receivables					
(i) (Unsecured, considered good) outstanding for period exceeding six months from due date	2,933.24	3,117.12	4,251.74	3,014.10	1,081.22
(ii) Others	9,536.71	11,247.07	11,110.40	13,051.03	14,293.40
Closing Balance	**12,469.95**	**14,364.19**	**15,362.14**	**16,065.13**	**15,374.62**
2.17 Restated Cash and Bank Balances					
Cash and Cash Equivalents:					
(i) Balances with Banks (in current account)	186.29	99.15	58.98	62.19	97.70
(ii) Cheque, drafts on hand	615.30	749.32	-	352.75	1,387.36
(iii) Cash on hand	4.90	11.51	7.42	11.44	9.77
(iv) Other Bank Balances:					
Unpaid Dividend Account	10.01	11.75	15.01	18.18	20.63
Fixed Deposit Account	368.64	17.46	-	-	0.38
Margin Money	9.85	6.96	11.92	1.73	-
Closing Balance	**1,194.99**	**896.15**	**93.33**	**446.29**	**1,515.84**
2.18 Restated Short term loans and advances - Unsecured, considered good					
Advances to Suppliers	306.42	209.36	76.43	79.66	186.28
Advance to Employee	32.11	37.41	35.06	37.03	34.90
Advance Tax (Net of Provision for Tax)	312.43	306.94	300.83	287.17	-
Closing Balance	**650.96**	**553.71**	**412.32**	**403.86**	**221.18**
2.19 Restated Other Current Assets					
(i) Prepaid Expenses	131.90	227.44	165.24	229.35	86.17
(ii) Short term deposit	460.33	429.18	342.45	327.78	309.66
(iii) Other Receivables	3,881.82	1,883.38	1,971.44	2,258.86	475.91
(iv) Balances with Revenue Authorities	619.25	722.28	571.05	262.64	260.66
Closing Balance	**5,093.30**	**3,262.28**	**3,050.18**	**3,078.63**	**1,132.40**

(Rs in Lakhs)

Particulars	For the year ended				
	2017	2016	2015	2014	2013
2.20 Revenue from Operations					
(i) Revenue from Sale of Products	43,931.42	47,902.19	51,909.04	57,350.42	60,015.11
(ii) Other Operating Revenue	123.05	156.95	220.69	403.42	282.39
	44,054.47	**48,059.14**	**52,129.73**	**57,753.84**	**60,297.50**
Less : Discounts	2,694.39	2,796.88	3,804.91	3,794.95	3,997.13
	41,360.08	**45,262.26**	**48,324.82**	**53,958.89**	**56,300.37**
Less : Excise duty	4,433.06	4,968.93	4,997.90	5,677.00	6,133.52
Total	**36,927.02**	**40,293.33**	**43,326.92**	**48,281.89**	**50,166.85**
2.21 Other Income					
(i) Interest (including Interest on Advances given to Subsidiary Companies)	28.22	7.81	2.74	4.93	2.93
(ii) Profit on Sale of Fixed Assets	-	4.03	127.06	575.21	(2.38)
(iii) Rent Receipt	0.25	-	-	6.51	6.30
(iv) Miscellaneous Receipts	18.66	-	-	-	6.47
(v) Miscellaneous Receipts-includes debtors/ creditors/ provision for doubtful debts written back	57.92	62.64	1.74	61.56	35.75
Total	**105.05**	**74.48**	**131.54**	**648.21**	**49.07**
2.22 Cost of Materials Consumed					
Organic acid/chemicals	4,538.58	6,561.37	6,962.03	8,486.60	9,052.56
Pigments	2,701.40	2,978.41	3,993.17	4,510.73	5,281.66
Solvents & Oils	5,961.02	6,176.35	8,313.99	10,790.26	10,501.03
Packages and Packing Materials	2,411.93	2,759.46	3,119.32	3,463.55	3,497.88
Others* (* Includes individual items of less than 10% of the total and therefore, not considered for the above classification.)	3,443.74	5,066.02	4,395.02	4,340.16	5,950.14
Total	**19,056.67**	**23,541.61**	**26,783.53**	**31,591.30**	**34,283.27**
2.23 Purchase of Stock-in-Trade	4,204.23	3,222.61	3,170.77	3,624.06	2,366.99
Total	**4,204.23**	**3,222.61**	**3,170.77**	**3,624.06**	**2,366.99**
2.24 Changes in inventories of finished goods, work-in-progress and Stock-in-trade					
Closing Stock					
Finished Goods	7,360.58	8,289.31	7,901.08	8,650.14	8,401.62
Work-in-progress	156.53	326.38	232.81	241.78	444.49
	7,517.11	**8,615.69**	**8,133.89**	**8,891.92**	**8,846.11**
Opening Stock					
Finished Goods	8,289.31	7,901.08	8,650.14	8,401.62	6,953.50
Work-in-progress	326.38	232.81	241.78	444.49	643.81
	8,615.69	**8,133.89**	**8,891.92**	**8,846.11**	**7,597.31**
Total	**1,098.58**	**(481.80)**	**758.03**	**(45.81)**	**(1,248.80)**

(Rs in Lakhs)

Particulars	For the year ended				
	2017	2016	2015	2014	2013
2.25 Employee Benefits Expense					
Salaries and Wages	3,108.07	3,061.91	3,259.17	3,119.76	2,300.09
Contribution to provident and other funds	147.05	149.95	147.27	270.33	223.01
Expenses on Employee Stock Option Plan	4.20	6.99	6.21	-	-
Staff Welfare Expenses	219.20	246.13	257.14	431.33	348.32
Total	**3,478.52**	**3,464.98**	**3,669.79**	**3,821.42**	**2,871.42**
2.26 Finance Costs					
Interest expenses	1,940.05	1,932.54	1,795.42	1,635.18	1,512.37
Foreign exchange (gain) / loss	14.41	16.37	99.57	267.79	-
Other borrowing cost	302.67	266.22	170.19	194.51	145.25
Total	**2,257.13**	**2,215.13**	**2,065.18**	**2,097.48**	**1,657.62**
2.27 Other Expense					
Consumption of stores and spare parts	41.88	45.78	57.46	92.99	125.14
Power and fuel	234.71	251.38	228.10	433.47	465.00
Rent	516.30	477.44	452.17	307.01	213.30
Repairs:					
Building	7.70	10.33	24.32	34.29	34.99
Plant and machinery	65.37	63.02	107.24	86.36	47.26
Others	183.40	145.28	193.91	180.41	128.07
Insurance	63.66	77.23	34.34	28.19	16.71
Rates and taxes	17.51	16.56	47.98	56.44	30.99
Printing and stationery	33.78	36.02	65.00	52.96	80.68
Communication expenses	115.72	114.89	143.06	109.11	99.59
Directors' fees	4.60	4.80	4.40	4.70	3.00
Payment to the Auditor	13.89	13.60	12.04	9.56	7.52
Cost Audit Fees	-	-	0.55	0.50	0.55
C & F Charges	129.43	148.48	150.28	205.09	226.73
Travelling expenses	566.14	590.83	631.89	598.18	459.69
Application Charges	49.11	164.07	249.06	305.20	725.28
Freight	2,794.91	2,796.20	3,234.78	2,739.18	2,452.74
Discount and Rebates	1,948.81	1,913.40	1,759.60	1,800.37	2,389.12
Loss on sale of fixed assets	39.55	-	-	-	
Bad Debts	-	20.76	15.34	237.59	33.83
Miscellaneous Expenses	818.90	607.14	651.32	414.60	448.12
Total	**7,645.37**	**7,497.21**	**8,062.84**	**7,696.20**	**7,988.31**

Restated Standalone Statement of Notes to Summary Financial Statements – Annexure V

2.28 Contingent Liabilities **(Rs in Lakhs)**

Particulars	For the year ended March 31st,				
	2017	2016	2015	2014	2013
(i) Excise Duty	391.86	302.59	293.71	315.33	209.20
(ii) Bank Guarantee	882.06	774.40	1,479.10	1,530.84	1,322.75
(iii) Sales Tax (excluding liability on account of C/F/Other Forms)	772.97	676.73	576.04	432.18	354.81
The management is of the opinion that these forms will be collected in due course, and no significant liabilities is expected in this respect					

(iv)	Claims against the Company not acknowledged as debt (to the extent ascertained)	183.32	73.86	74.36	56.62	57.47
(v)	Income Tax	62.73	53.68	47.95	11.06	5.45

2.29Commitments **(Rs in Lakhs)**

Particulars		For the year ended March 31st,				
		2017	2016	2015	2014	2013
(i)	Estimated amount of capital commitments (net of advances)	542.67	1.42	186.49	393.75	1,654.21
(ii)	Uncalled Liability on Partly paid up shares	40.50	40.50	40.50	40.50	40.50

2.30Auditors' Remuneration **(Rs in Lakhs)**

Particulars		For the year ended March 31st,				
		2017	2016	2015	2014	2013
(i)	Audit Fees	6.60	6.60	6.00	5.00	4.00
(ii)	Tax Audit Fees	1.25	1.25	1.00	0.90	0.75
(iii)	Certification fees and other Services	2.75	2.95	2.05	1.61	0.95
(iv)	Reimbursement of Expenses	3.29	2.80	2.99	2.05	1.82

2.31 CIF Value of Imports **(Rs in Lakhs)**

Particulars		For the year ended March 31st,				
		2017	2016	2015	2014	2013
	Raw Materials	1,724.99	1,578.28	2,207.00	2,699.00	3,928.80

2.32 Expenditure in foreign currency **(Rs in Lakhs)**

Particulars		For the year ended March 31st,				
		2017	2016	2015	2014	2013
(i)	Travelling Expenses	0.38	1.72	3.81	5.76	2.08
(ii)	Testing Charges	1.16	3.76	2.47	0.97	0.31

2.33Earnings in foreign currency **(Rs in Lakhs)**

Particulars		For the year ended March 31st,				
		2017	2016	2015	2014	2013
	FOB Value of Export	379.52	278.48	306.14	304.66	206.11

2.34Amount remitted in foreign currency on account of dividend

(Rs in Lakhs)

	Particulars	For the year ended March 31st,				
		2017	**2016**	**2015**	**2014**	**2013**
(i)	Number of Non-resident Shareholders	-	-	-	-	1
(ii)	Number of shares held by Them	-	-	-	-	1180314
(iii)	Amount of dividend remitted (Rs. Lac)	-	-	-	-	118.03
(iv)	Year to which dividend Relates	-	-	-	-	2011-12

2.35 Consumption of imported and indigenous raw materials

	Particulars	For the year ended March 31st,									
		2017		**2016**		**2015**		**2014**		**2013**	
		%	**Rs.(Lac)**	**%**	**Rs.(Lac)**	**%**	**Rs.(Lac)**	**%**	**Rs.(Lac)**	**%**	**Rs.(Lac)**
(i)	Imported	10.74	2,045.87	7.92	1,865.28	11.00	2,946.03	11.52	3,639.40	9.03	3,096.41
(ii)	Indigenous	89.26	17,010.80	92.08	21,676.33	89.00	23,837.50	88.48	27,951.90	90.97	31,186.86
	Total	**100.00**	**19,056.67**	**100.00**	**23,541.61**	**100.00**	**26,783.53**	**100.00**	**31,591.30**	**100.00**	**34,283.27**

There is no imported stores and spares consumption. Hence, consumption of stores is of indigenous as disclosed in other expenses note no. 2.27

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

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

2.37 The Company has adopted Accounting Standard 22 "Accounting for Taxes on Income"

	Particulars	**For the year ended March 31, 2017**	**Charge /(Credit) during the year**	**For the year ended March 31, 2016**	**Charge /(Credit) during the year**	**For the year ended March 31, 2015**	**Charge /(Credit) during the year**	**For the year ended March 31, 2014**	**Charge /(Credit) during the year**	**For the year ended March 31, 2013**	**Charge /(Credit) during the year**
	Deferred Tax Assets										
	Carry forward losses/ Expenses allowable on payment basis	(983.32)	(300.04)	(683.28)	(86.11)	(597.17)	(488.79)	(108.38)	(71.01)	(37.37)	41.50
	Deferred Tax Liabilities										
	Depreciation and related items	271.17	(103.99)	375.16	(54.36)	429.52	121.57	307.95	33.83	274.12	(40.04)

	Net Deferred Tax Assets / (Liabilities)	**(712.15)**	**(404.03)**	**(308.12)**	**(140.47)**	**(167.65)**	**(367.22)**	**199.57**	**(37.18)**	**236.75**	**1.46**

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

(Rs in Lakhs)

Particulars		**For the year ended March 31st,**				
		2017	**2016**	**2015**	**2014**	**2013**
i)	Not later than one year	-	-	3.25	11.90	28.35
ii)	Later than one year and not later than five years	-	-	8.15	0.07	12.48
iii)	Later than five years	-	-	-	-	-
	Total	**-**	**-**	**11.40**	**11.97**	**40.83**

2.39 Related party disclosure in accordance with the Accounting Standard 18 "Related Party Disclosures"
Detail of Related Parties During the Period

Name of the related parties with whom the transactions have been made	**For the year ended March 31st,**									
	2017		**2016**		**2015**		**2014**		**2013**	
	Description of relationship with party	**Nature of Transaction**	**Description of relationship with Party**	**Nature of Transaction**	**Description of relationship with party**	**Nature of Transaction**	**Description of relationship with party**	**Nature of Transaction**	**Description of relationship with party**	**Nature of Transaction**
Sameer Nagpal	Ex. Managing Director	Remuneration	Managing Director	Remuneration	Managing Director	Remuneration	Managing Director	Remuneration	-	-
Ratan Jindal	Non-Executive Director	Sitting Fees	Non-Executive Director	Sitting Fees	-	-	-	-	-	-
Girish Sunder Jhunjhunwala	Non-Executive Director	Sitting Fees	Non-Executive Director	Sitting Fees	-	-	-	-	-	-
Surender Kumar	Managing Director and CEO	Remuneration	Executive Director	Remuneration	-	-	-	-	-	-
Nitin Gupta	Company Secretary	Salary	Company Secretary	Salary	-	-	-	-	-	-
Sandeep Gupta	Chief Financial Officer	Remuneration	-	-	-	-	-	-	-	-
Janak Raj Goyal	Ex. Chief Financial Officer	Remuneration	-	-	-	-	-	-	-	-
Bernadette Dominic	Ex. Company Secretary	Salary	Company Secretary	Salary	-	-	-	-	-	-
S.Sarda	-	-	-	-	Executive Director	Remuneration	Executive Director	Remuneration	Executive Director	Remuneration
Smt. Lata	-	-	-	-	-	-	Relative of	Rent etc.	Relative	Rent etc.

Sarda							ED		of ED	
Shalimar Adhunik Nirman Ltd.	Subsidiary	Loans& Advances (Given)	Subsidiary	Loans & Advances (Given)	Subsidiary	Payment made	Subsidiary	Advances (given)	Subsidiary	Payment made
Shalimar Adhunik Nirman Ltd.	Subsidiary	Investment	Subsidiary	Investment	Subsidiary	Investment	Subsidiary	Investment	Subsidiary	Investment
Shalimar Adhunik Nirman Ltd.	Subsidiary	Interest on Loan	-	-	-	-	-	-	-	-
Eastern Speciality Paints & Coatings Private Limited	Subsidiary	Investment	Subsidiary	Investment	Subsidiary	Investment	Subsidiary	Investment	Subsidiary	Investment

	For the year ended March 31st,									
	2017		**2016**		**2015**		**2014**		**2013**	
Name of the related parties with whom the transactions have been made	**Description of relationship with party**	**Nature of Transaction**	**Description of relationship with party**	**Nature of Transaction**	**Description of relationship with party**	**Nature of Transaction**	**Description of Relationship with party**	**Nature of Transaction**	**Description of relationship with party**	**Nature of Transaction**
Eastern Speciality Paints & Coatings Private Limited	Subsidiary	Reimbursement of expenses Incurred by Company	Subsidiary	Reimbursement of expenses incurred by Company	-	-	-	-	-	-
Sonabheel Tea Ltd.	-	-	-	-	-	-	Company controlled by Directors	Sales	Company controlled by Directors	Sales
Jindal Steel & Power Ltd.	Company in which Directors and/or Relatives are interested	Sales	Company in which Directors and/or Relatives are interested	Sales	-	-	-	-	-	-
Jindal Saw Ltd.	Company in which Directors and/or Relatives are interested	Sales	Company in which Directors and/or Relatives are interested	Sales	-	-	-	-	-	-
JSW Energy Ltd.	Company in which Directors and/or	Sales	Company in which Directors and/or	Sales	-	-	-	-	-	-

	Relatives are interested		Relatives are interested							
JSW Steel Ltd.	Company in which Directors and/or Relatives are interested	Sales	Company in which Directors and/or Relatives are interested	Sales	-	-	-	-	-	-
Jindal Industries Pvt Ltd	Company in which Directors and/or Relatives are interested	Sales	Company in which Directors and/or Relatives are interested	Sales	-	-	-	-	-	-

Name of the related parties with whom the transactions have been made	**For the year ended March 31st,**									
	2017		**2016**		**2015**		**2014**		**2013**	
	Description of relationship with party	**Nature of Transaction**	**Description of relationship with party**	**Nature of Transaction**	**Description of relationship with party**	**Nature of Transaction**	**Description of relationship with party**	**Nature of Transaction**	**Description of relationship with party**	**Nature of Transaction**
Jindal Stainless Ltd.	Company in which Directors and/or Relatives are interested	Sales	Company in which Directors and/or Relatives are interested	Sales	Company controlled by Directors	Sales	Company controlled by Directors	Sales	Company controlled by Directors	Sales
Jindal Stainless Ltd.	Company in which Directors and/or Relatives are interested	Reimbursement of expenses incurred by related party	Company in which Directors and/or Relatives are interested	Reimbursement of expenses incurred by related party	-	-	-	-	-	-
Jindal Stainless Consultancy	Company in which Directors and/or Relatives are interested	Payment of Rent & Maintenance	-	-	-	-	-	-	-	-
O.P. Jindal Institute of Cancer	Company in which Directors and/or Relatives are interested	Sale of Fixed Assets	-	-	-	-	-	-	-	-

II) Details of Related Party Transaction **(Rs. In Lakhs)**

	Description	2016-17				2015-2016				2014-2015				2013-2014				2012-2013			
S. No.	Nature of Transactions	Subsidiary	Associates	Key Management Personnel	Enterprises controlled by Key Management Personnel & their relatives	Subsidiary	Associates	Key Management Personnel	Enterprises controlled by Key Management Personnel & Their relatives	Subsidiary	Associates	Key Management Personnel	Enterprises controlled by Key Management Personnel & their relatives	Subsidiary	Associates	Key Management Personnel	Enterprises controlled by Key Management Personnel & their relatives	Subsidiary	Associates	Key Management Personnel	Enterprises controlled by Key Management Personnel & their relatives
I	**Sales of Finished Goods**																				
	Sonabheel Tea Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.52
	Jindal Steel & Power Ltd.	-	-	-	1,467.42	-	-	-	1,445.61	-	-	-	-	-	-	-	-	-	-	-	-
	Jindal Saw Ltd.	-	-	-	1,710.73	-	-	-	83.78	-	-	-	-	-	-	-	-	-	-	-	-
	JSW Energy Ltd.	-	-	-	10.32	-	-	-	108.50	-	-	-	-	-	-	-	-	-	-	-	-
	JSW Steel Ltd.	-	-	-	417.31	-	-	-	238.51	-	-	-	-	-	-	-	-	-	-	-	-
	Jindal Industries Pvt Ltd	-	-	-	150.17	-	-	-	180.88	-	-	-	-	-	-	-	-	-	-	-	-
	Jindal Stainless Ltd.	-	-	-	145.70	-	-	-	-	-	-	-	73.99	-	-	-	8.23	-	-	-	6.51
II	**Sale of Fixed Assets**																				
	O.P. Jindal Institute of Cancer	-	-	-	11.31	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III	**Payment of Rent & Maintenance**																				
	Jindal Stainless Consultancy	-	-	-	4.18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV	**Investment**																				
	Eastern Speciality Paints & Coatings Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	4.00	-	-	-	-	-	-	-
V	**Loans & Advances(Given)**																				
	Shalimar Adhunik Nirman Ltd.	51.54	-	-	-	122.05	-	-	-	-	-	-	-	0.31	-	-	-	-	-	-	-
V	**Payment made**																				

I																					
	Shalimar Adhunik Nirman Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.21	-	-	-
VII	**Expenses Reimbursed**																				
	Eastern Speciality Paints & Coatings Private Limited	0.08	-	-	-	0.28	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Jindal Stainless Ltd.	-	-	-	-	-	-	-	0.15	-	-	-	-	-	-	-	-	-	-	-	-
VIII	**Remuneration paid**																				
	Sameer Nagpal	-	-	-	-	-	-	17.77	-	-	-	112.00	-	-	-	100.00	-	-	-	-	-
	Ratan Jindal	-	-	0.40	-	-	-	0.80	-	-	-	0.60	-	-	-	-	-	-	-	-	-
	Girish Sunder Jhunjhunwala	-	-	0.20	-	-	-	0.40	-	-	-	0.30	-	-	-	-	-	-	-	-	-
	Surender Kumar	-	-	82.35	-	-	-	70.77	-	-	-	-	-	-	-	-	-	-	-	-	-
	Nitin Gupta	-	-	7.11	-	-	-	2.63	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sandeep Gupta	-	-	16.14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Janak Raj Goyal	-	-	46.58	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bernadette Dominic	-	-	-	-	-	-	2.09	-	-	-	-	-	-	-	-	-	-	-	-	-
	S.Sarda	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.85	-	-	-	24.94	-
	Smt. Lata Sarda	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.20	-
IX	**Interest Income on Loans**																				
	Shalimar Adhunik Nirman Ltd.	17.81	-	-	-	4.27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

II) Details of Related Party Transaction **(Rs. In Lakhs)**

	Description	2016-17				2015-2016				2014-2015				2013-2014				2012-2013			
S. No.	Nature of Transactions	Subsidiary	Associates	Key Management Personnel	Enterprises controlled by Key Management Personnel & their relatives	Subsidiary	Associates	Key Management Personnel	Enterprises controlled by Key Management Personnel & Their relatives	Subsidiary	Associates	Key Management Personnel	Enterprises controlled by Key Management Personnel & their relatives	Subsidiary	Associates	Key Management Personnel	Enterprises controlled by Key Management Personnel & their relatives	Subsidiary	Associates	Key Management Personnel	Enterprises controlled by Key Management Personnel & their relatives
Net Balances as on 31st March																					
I	**Sales of Finished Goods**																				
	Sonabheel Tea Ltd.	-	-	-		-	-	-		-	-	-		-	-	-	-	-	-	-	(0.04)
	Jindal Steel & Power Ltd.	-	-	-	646.23	-	-	-	515.30	-	-	-	-	-	-	-	-	-	-	-	-
	Jindal Saw Ltd.	-	-	-	212.73	-	-	-	21.98	-	-	-	-	-	-	-	-	-	-	-	-
	JSW Energy Ltd.	-	-	-	3.36	-	-	-	48.95	-	-	-	-	-	-	-	-	-	-	-	-
	JSW Steel Ltd.	-	-	-	97.07	-	-	-	27.61	-	-	-	-	-	-	-	-	-	-	-	-
	Jindal Industries Pvt Ltd	-	-	-	24.87	-	-	-	32.11	-	-	-	-	-	-	-	-	-	-	-	-
	Jindal Stainless Ltd.	-	-	-	39.82	-	-	-	-	-	-	-	26.96	-	-	-	19.44	-	-	-	22.60
II	**Sale of Fixed Assets**																				
	O.P. Jindal Institute of Cancer	-	-	-	1.31	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III	**Payment of Rent & Maintenance**																				
	Jindal Stainless Consultancy	-	-	-	4.18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV	**Investment**																				
	Shalimar Adhunik Nirman Ltd.	59.50	-	-	-	59.50	-	-	-	59.50	-	-	-	59.50	-	-	-	59.50	-	-	-
	Eastern Speciality Paints & Coatings Private Limited	5.00	-	-	-	5.00	-	-	-	-	-	-	-	5.00	-	-	-	1.00	-	-	-

V	**Loans & Advances (Given)**													-							
	Shalimar Adhunik Nirman Ltd.	672.74	-	-	-	621.21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI	**Payment made**																				
	Shalimar Adhunik Nirman Ltd.	-	-	-	-	-	-	-	-	499.16	-	-	-	499.16	-	-	-	499.14	-	-	-
VII	**Expenses Reimbursed**																	-			
	Eastern Speciality Paints & Coatings Private Limited	0.08	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Jindal Stainless Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII	**Remuneration outstanding**																				
	Sameer Nagpal	-	-	-	-	-	-	-	-	-	-	9.33	-	-	-	8.33	-	-	-		-
	Surender Kumar	-	-	5.59	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Nitin Gupta	-	-	0.59	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sandeep Gupta	-	-	5.11	-	-	-	-	-	-	-	-	-	-	-		-	-	-		-
	Janak Raj Goyal	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-		-
	S.Sarda	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.82	-

2.40 Earning Per Share **(Rs in Lakhs)**

Particulars	For the year ended March 31st,				
	2017	2016	2015	2014	2013
(a) Profit / (Loss) for the year, per statement of profit and loss (Rs. In Lakhs)	(726.37)	544.53	(1,160.22)	(195.40)	1,156.61
(b) Weighted Avg No. of Equity Shares (Nos.)	18,945,975	18,939,717	18,928,100	18,928,100	18,928,100
(c) Effect of potential Dilutive Equity shares Due Employee stock option outstanding (Nos.)	106,650	152,375	223,196	223,196	223,196
(d) Weighted Avg No of equity shares in computing diluted Earning per Share (b + c)	19,052,625	19,092,092	19,151,296	19,151,296	19,151,296
(e) Earning per Share (in Rupees)					
Basic	(3.83)	2.88	(6.13)	(1.03)	6.11
Diluted	(3.83)	2.85	(6.13)	(1.03)	6.04

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

2.42 Employees' Benefits

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

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

(a) Defined Benefits Plans / Compensated absences - As per actuarial valuation

A) For Gratuity Funded

I Expense recognized in the statement of Profit and Loss **(Rs in Lakhs)**

	Particulars	For the year ended March 31st,				
		2017	2016	2015	2014	2013
1	Current Service Cost	31.89	29.59	29.87	27.88	30.53
2	Interest on Cost	34.30	32.56	41.79	43.60	37.47
3	Employee Contribution	-	-	-	-	-
4	Expected Return on plan assets	(1.41)	(3.10)	(6.86)	(16.72)	(20.60)
5	Net Actuarial (Gain) / Losses	(44.84)	(0.87)	65.99	43.34	28.56
6	Past Service Cost	-	-	-	-	-
7	Settlement Cost	-	-	-	-	-
	Total Expenses	**19.94**	**58.18**	**130.79**	**98.10**	**75.96**

II Net Assets / (Liability) recognized in the balance sheet. **(Rs in Lakhs)**

Particulars	For the year ended March 31st,				
	2017	2016	2015	2014	2013
1 Present Value of Defined Benefits of Obligation	439.04	436.95	420.06	464.32	484.47
2 Fair Value of plan assets	0.73	17.58	35.40	78.45	196.69
3 Funded status [Surplus/(Deficit)]	(438.31)	(419.37)	(384.66)	(385.87)	(287.78)
4 Net Assets/(Liability)	(438.31)	(419.37)	(384.66)	(385.87)	(287.78)

III Change in Obligation during the Year ended **(Rs in Lakhs)**

	Particulars	For the year ended March 31st,				
		2017	2016	2015	2014	2013
1	Present Value of Defined Benefit Obligation at beginning of the Year	436.95	420.06	464.32	484.47	454.16
2	Current Service Cost	31.89	29.59	29.87	27.88	30.53
3	Interest Cost	34.30	32.55	41.79	43.60	37.47
4	Settlement Cost	-	-	-	-	-
5	Past Service Cost	-	-	-	-	-
6	Employee Contributions	-	-	-	-	-
7	Plan Amendments	-	-	-	-	-
8	Actuarial (Gain)/ Losses	(46.25)	(1.64)	(69.04)	38.62	22.32
9	Benefits Payments	(17.85)	(43.61)	(46.88)	(130.25)	(60.01)
	Present value of Defined Benefits Obligation at the end of year	**439.04**	**436.95**	**420.06**	**464.32**	**484.47**

IV Change in Assets during the Year **(Rs in Lakhs)**

	Particulars	For the year ended March 31st,				
		2017	2016	2015	2014	2013
1	Plan assets at the beginning of the year	17.58	35.39	78.45	196.69	242.35
2	Plan assets acquired on amalgamation in Previous Year	-	--	-	-	-
3	Settlements	-	--	-	-	-
4	Expected return on plan assets	1.41	3.10	6.86	16.72	20.60
5	Contributions by employer	1.00	23.47	-	-	-
6	Actual benefits paid	(17.85)	(43.61)	(46.88)	(130.25)	(60.01)
7	Actual Gains/ (Losses)	(1.41)	(0.77)	(3.04)	(4.71)	(6.25)
8	Actual return on Plan assets	-	--	-	-	-
	Plan assets at the end of the year	**0.73**	**17.58**	**35.39**	**78.45**	**196.69**

B) Leave Encashment Non funded

I Expense recognized in the statement of Profit and Loss **(Rs in Lacs)**

	Particulars	For the year ended March 31st,				
		2017	2016	2015	2014	2013
1	Current Service Cost	11.02	13.42	15.75	1.96	1.83
2	Interest on Cost	4.49	5.32	9.26	11.38	9.83
3	Employee Contribution	-	-	-	-	-
4	Expected Return on plan assets	-	-	-	-	-
5	Net Actuarial (Gain) / Losses	4.08	1.98	6.37	36.33	38.79
6	Past Service Cost	-	-	-	-	-
7	Settlement Cost	-	-	-	-	-
	Total Expenses	19.59	20.72	31.38	49.67	50.45

II Net Assets / (Liability) recognized in the balance sheet. **(Rs in Lacs)**

	Particulars	For the year ended March 31st,				
		2017	2016	2015	2014	2013
1	Present Value of Defined Benefits of Obligation	65.46	57.17	68.71	102.85	126.42
2	Fair Value of plan assets	-	-	-	-	-
3	Funded status [Surplus/(Deficit)]	(65.46)	(57.17)	(68.71)	(102.85)	(126.42)
4	Net Assets/(Liability)	(65.46)	(57.17)	(68.71)	(102.85)	(126.42)

III Change in Obligation during the Year ended **(Rs in Lacs)**

	Particulars	For the year ended March 31st,				
		2017	2016	2015	2014	2013
1	Present Value of Defined Benefit Obligation at beginning of the year at	57.17	68.71	102.85	126.42	119.13
2	Current Service Cost	11.02	13.42	15.75	1.96	1.83
3	Interest Cost	4.49	5.32	9.26	11.38	9.83
4	Settlement Cost	-	-	-	-	-
5	Past Service Cost	-	-	-	-	-
6	Employee Contributions	-	-	-	-	-
7	Plan Amendments	-	-	-	-	-
8	Actuarial (Gain)/ Losses	4.08	1.98	6.37	36.33	38.79
9	Benefits Payments	(11.30)	(32.26)	(65.52)	(73.24)	(43.16)
	Present value of Defined Benefits Obligation at the end of year	**65.46**	**57.17**	**68.71**	**102.85**	**126.42**

IV Change in Assets during the Year **(Rs in Lacs)**

	Particulars	For the year ended March 31st,				
		2017	2016	2015	2014	2013
1	Plan assets at the beginning of the year	-	-	-	-	-
2	Plan assets acquired on amalgamation in Previous Year	-	-	-	-	-
3	Settlements	-	-	-	-	-
4	Expected return on plan assets	-	-	-	-	-
5	Contributions by employer	11.30	32.26	65.52	73.24	43.16
6	Actual benefits paid	(11.30)	(32.26)	(65.52)	(73.24)	(43.16)
7	Actual Gains/ (Losses)	-	-	6.37	-	-
8	Actual return on Plan assets	-	-	-	-	-
9	Plan assets at the end of the year	-	-	-	-	-

VActuarial Assumptions:

Particulars	For the year ended March 31st,				
	2017	2016	2015	2014	2013
1 Discount Rate	7.30%	7.85%	7.75%	9.00%	8.25%
2 Rate of increase in salaries	2.00%	2.00%	3.00%	4.00%	4.50%
3 Rate of return on Plan Assets	N.A.	N.A.	N.A	N.A	N.A
1) Leave Encashment 2) Gratuity	8.00%	8.00%	8.75%	8.75%	8.50%
4 Mortality	As per IALM (2006-2008) Ultimate.	As per IALM (2006-2008) Ultimate.	As per IALM (2006-2008) Ultimate.	As per standard table LIC (1994-1996) ultimate.	
5 Withdrawal rate	2%p.a.	2%p.a	2%p.a	2%p.a	2%p.a

2.43 Disclose of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016

	SBNs	Other denomination notes	Total
Closing cash in hand as on 8-11-2016	1.30	10.49	11.79
(+) Permitted receipts	6.27	24.40	30.67
(-) Permitted payments	(0.00)	(27.25)	(27.25)
(-) *Amount deposited in Banks	(7.57)	(0.00)	(7.57)
Closing cash in hand as on 30-12-2016	0.00	7.64	7.64

*Amount deposited includes, being the SBN deposited directly by the third parties in the Company's bank accounts , and the said third party deposits are shown as 'Permitted receipts" .

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

2.45 There has been a major fire break out on Nov 19, 2016 at Nasik Factory of the Company resulting in substantial damage of stocks, plant & machineries and factory building. Intimation of fire has been given to insurer, and claim settlement is under process. The policy is on Reinstatement basis, and Loss of profit for 6 months. Estimated insurance claim receivable on book value of Rs 2004.18 lakh has been accounted for.

The insurance claim of loss for damage of building & inventories due to fire in Howrah Plant is yet to be assessed by the Insurer. The estimated insurance claim receivable of Rs 1474.81 Lakhs have been accounted for in the books.

Fixed assets and inventories, except the said damaged assets, have been verified & valued as per applicable accounting standards as well as existing accounting policies of the Company, with no material discrepancy.

2.46 Term Loan (Others) represent loan availed by company for working capital for business needs.

2.47 The Division Bench of Hon'ble High Court of Calcutta passed an order on 07/05/2009 requiring the Company to give immovable property to the extent of Rs. 4.5 Crores as a security in favour of Tara Properties (the landlord of property at 13, Camac Street, Kolkata). The Company has given portion of the land at Goaberia as a security.

2.48 Pursuant to the Scheme of Merger of Woodlands Medical Centre Limited with Woodlands Multispecialty Hospital Ltd , as approved by the Calcutta High Court on 29/11/2010, the Company, on application made, is entitled to get 2350 shares of Rs 10 each fully paid up in Woodlands Multispecialty Hospital Ltd against debenture of Rs 23,500 held in Woodlands Medical Centre Limited.

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

2.50 The Company operates mainly in one primary business segment i.e. Paints. There is no geographical segment.

2.51 Exceptional item for the year ended 31st March, 2013 represents restructuring cost incurred during that year.

2.52 Previous year's figures have been regrouped / rearranged, wherever necessary to make them comparable

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

Anup Kumar Dubey
rtner
M. No. 054975

For and on behalf of the Board

Sandeep Gupta
Chief Financial Officer

Surender Kumar
Managing Director &
CEO
DIN: 00510137

Nitin Gupta
Company Secretary
M.No. F8485

ANNEXURE VI - Restated Standalone Summary Statement on the Adjustments to Audited

(A) NOTES ON RECONCILIATION OF RESTATED PROFIT

Particulars	For the year ended March, 31				
	2017	2016	2015	2014	2013
Net profit/(Loss) as per audited financial statements	(659.71)	527.52	(1,058.40)	(279.51)	1,101.81
Adjustments to net profit/(loss) as per audited financial statements					
a) Adjustments on account of change in accounting estimate					
- Depreciation & Amortisation (Refer Note No.1)	-	-	-	(10.31)	(53.79)
b) Bad debts (Refer Note No.2)	(40.00)	40.00	-	137.83	99.17
c). Sundry Liabilities written back (Refer Note No.3)	(63.45)	(67.49)	(42.68)	(0.07)	35.75
d) Restatement of Taxes					
- Tax Adjustments					-
- Deferred tax on restatements (Refer Note No.4)	36.79	44.49	(59.18)	(43.34)	(26.33)
Net Profit as per Restated Standalone Financial Statements after Adjustments	(726.37)	544.52	(1,160.26)	(195.40)	1,156.61

(B) Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years.

Adjustments having impact on Profit

1. **Depreciation** – Depreciation is charged based on useful life of assets as per Schedule II of Companies Act 2013 made applicable from accounting year Ist April,2014, which was hitherto charged as per rates prescribed in Schedule XIV of the Companies Act 1956. On the restated financials, effect of depreciation on assets whose life has elapsed has been adjusted in the year to which the depreciation pertains. Transitional impact on opening i.e. 1st April, 2012 has been adjusted in retained earnings.

2. **Bad Debts Written off** – Bad Debts written off during the year ended March 31, 2013, March 31, 2014, March 31, 2015 and March 31, 2016 have been adjusted in the year when bad debts was originally incurred. Accordingly, adjustment have been made to the Summary Statement of Profit & Losses, as restated for respective years.

3. **Sundry Liabilities Written Back** – In the financial statements for the years ended March 31, 2016, 2015, 2014, 2013 and 2012, certain liabilities are written back as the same is no longer required. For the purpose of Summary of Financial Statements, as restated, such provision no longer required have been appropriately adjusted in the respective years

4. **Deferred Tax on Restatement** – Deferred Tax has been calculated taking into account timing differences arising in one period and capable of reversal in another accounting period and so profit for the periods under restatement have been adjusted accordingly taking into account deferred tax profit /loss.

(C) Reconciliation of Profit & Loss Account as on April 1, 2012

Particulars	As at 1st April 2012
Surplus in the statement of Profit & Loss as audited	**967.50**
Depreciation & Amortisation	(47.52)
Provision for doubtful debts	
Bad debts	(237.00)
Liabilities Written back	137.94
Prior Period Expenses	
Income Tax Adjustments	30.97
Defer Tax on restatement adjusted I retained earning	47.56
Surplus in the Statement of Profit & Loss as restated	**899.46**

Annexure VII - Restated Standalone Summary Statement of Accounting Ratios

	Particulars	For the year ended March, 31				
		2017	2016	2015	2014	2013
A	**Financial Stability Ratio**					
1	Current Ratio (CA/CL)	1.53	1.60	1.61	1.71	1.63
2	Debt to Equity Ratio (Total Debt/Equity)	2.49	2.14	2.19	1.55	1.23
B	**Performance & Efficiency Ratios**					
1	Return on Equity (PAT/Equity)	(0.13)	0.09	(0.20)	(0.03)	0.16
2	Debtors Turnover Ratio (Gross Sales/Average Debtors)	3.08	3.05	3.08	3.43	3.89
3	Average Collection Period (in Days)	118.40	120.19	118.69	106.34	93.87
4	Inventory Turnover	4.07	4.17	4.25	4.26	4.74
5	Inventory Holding period (in days)	89.78	87.70	85.85	85.68	77.08
6	Creditors Turnover	1.54	1.68	1.94	2.19	2.43
7	Average Payables Period (in days)	236.69	217.31	187.73	167.03	150.42

Annexure VIII Restated Standalone Summary Statement of Capitalization

	Particulars	For the year ended March, 31				
		2017	2016	2015	2014	2013
	Borrowings:					
	Long term borrowings	3,362.96	4,303.46	1,995.66	1,346.14	707.56
	Short-term borrowings	10,768.51	9,402.18	10,985.00	9,649.70	8,104.63
	Total (A)	**14,131.47**	**13,705.64**	**12,980.66**	**10,995.84**	**8,812.19**
	Shareholders' funds:					
	Equity share capital	378.93	378.93	378.57	378.57	378.57
	Reserves and surplus	5,289.06	6,014.34	5,551.25	6,710.81	6,796.09
	Total (B)	**5,667.99**	**6,393.27**	**5,929.82**	**7,089.38**	**7,174.66**
	Debt / Equity ratio (A) / (B)	**2.49**	**2.14**	**2.19**	**1.55**	**1.23**

CONSOLIDATED FINANCIAL STATEMENTS

Report of the Independent Auditor on the Summary of Restated Consolidated Financial Statements

To,
The Board of Directors,
Shalimar Paints Limited
Stainless Centre, 4th floor,
Plot No. 50, Sector 32,
Gurugram - 122001,Haryana

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of Shalimar Paints Limited ("the Company") and its subsidiaries (the Company and its subsidiary together referred to as "the Group") for the purpose of its inclusion in the offer letter for right issue prepared by the Company in connection with its proposed right issue(" Right issue"). Such financial information comprises of:

(A) Financial Information as per Summary of Restated Consolidated Financial Statements; and

(B) Other Financial Information which have been approved by the Board of Directors of the Company and prepared in accordance with the requirements of:

a) Section 26(1)(b) of the CompaniesAct,2013 ("The Act") read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014; and

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI Regulations") .

2. We have examined such financial information with regard to:

a) the terms of reference agreed with the Company vide engagement letter dated 30th April, 2017 relating to the work to be performed on such financial information, proposed to be included in the offer letter of the Company in connection with its proposed right issue ;and

b) the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India.

3. **Financial Information**
The financial information referred to above, relating to profits/losses, assets and liabilities and cash flows of the Group are contained in the following annexure to this report (collectively referred to as the "Summary of Restated Consolidated Financial Statements"):

a) **Annexure I** containing the Restated Consolidated Summary Statement of Assets and Liabilities, as at March31, 2017, March31, 2016, 2015, 2014, and 2013 (Note No. 2.1 to 2.20).
b) **Annexure II** containing the Restated Consolidated Summary Statement of Profit and Loss, for the years ended March 31, 2017, 2016, 2015, 2014and2013 (Note No. 2.21 to 2.28).
c) **Annexure III** containing the Restated Consolidated Summary Statement of Cash Flows, for the years ended March 31, 2017, 2016, 2015, 2014 and 2013.
d) **Annexure IV** containing the Restated Consolidated Statement of Significant Accounting Policies (Note No. 1.1 to 1.15).
e) **Annexure V** containing the Restated Consolidated Statement of Notes to Summary Financial Statements (Note No. 2.29 to 2.58).

The aforesaid Summary of Restated Consolidated Financial Statements has been extracted by the Management from the audited consolidated financial statements of the Group for those years.

The consolidated financial statements of the Group for the years ended March31, 2017, 2016, 2015, 2014 and 2013 were audited by us and we had issued unqualified opinion vide our reports dated May 24, 2017, May 28, 2016, May 30, 2015, May 30, 2014 and May 25, 2013 respectively.

We did not audit the financial statements of one subsidiary (Eastern Speciality Paints & Coatings Private Limited) for the financial years ended March31, 2017, 2016, 2015, 2014 and 2013, whose financial statements reflect total assets of Rs.5.14 Lakhs, Rs.5.16 Lakhs, Rs.5.37 Lakhs, Rs. 5.21 Lakhs and Rs.1.02 Lakhs as at March 31, 2017, 2016, 2015, 2014 and 2013 respectively (before taking effect of elimination) and total revenue of Rs. Nil for the years ended at March31, 2017, 2016, 2015, 2014 and 2013 respectively as considered in the consolidated financial statements. These financial statements have been audited by other auditors, whose reports have been furnished to us and in our opinion, in so far as it relates to the amounts and disclosures included in these Restated Consolidated Financial Information are solely based on the reports of other auditors.

The other auditors' have confirmed that there stated financial information relating to abovementioned entities have been made after incorporating:
(i) Material prior period items which have been adjusted to the respective years to which such prior period items are related;

(ii)Adjustments for the material amounts in the respective financial years to which they relate.

(iii) There is no change in accounting policy for all the reporting periods. Hence, there is no adjustments for the changes in accounting policies retrospectively in the reported financial years.

4. Other Financial Information

Other Financial Information relating to the Group which is based on the Summary of Restated Consolidated Financial Statements prepared by the management and approved by the Board of Directors is attached in Annexure VI to VIII to this report as listed hereunder:

a) **Annexure VI**–Restated Consolidated Summary Statement on the Adjustments to Audited Financial Statements;

b) **Annexure VII**-Restated Consolidated Summary Statement of Accounting Ratios;

c) **Annexure VIII**– Restated Consolidated Summary Statement of Capitalization.

5. The Restated Summary Financial Statements do not contain all the disclosures in the manner required by the Accounting Standards referred to in sub-section(3C) of Section 211 of the Companies Act,1956 and/or as referred to in Section 133 of the Companies Act, 2013 applied in the preparation of the audited financial statements of the Group. Reading the Restated Summary Financial Statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Group.

6. **Management Responsibility on the Summary of Restated Consolidated Financial Statements and Other Financial Information**

Management is responsible for the preparation of Summary of Restated Consolidated Financial Statements and Other Financial Information relating to the Group in accordance with Section 26(1)(b) of the Act read with Rule4 of the Companies(Prospectus and Allotment of Securities) Rules, 2014 and the SEBI Regulations.

7. **Auditors' Responsibility**

Our responsibility is to express an opinion on the Summary of Restated Consolidated Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagement to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

8. Opinion

In our opinion, the financial information of the Group as stated in Para 3 above and Other Financial Information as stated in Para 4 above, read with the Statement of Significant Accounting Policies enclosed in Annexure IV to this report, after making such adjustments/ restatements and regroupings as considered appropriate, as stated in Statement on Adjustments to Audited Financial Statements enclosed in Annexure VI, have been prepared in accordance with Section 26(1)(b)of the Act read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI Regulations.

The Summary of Restated Consolidated Financial Statements have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the Statement on Adjustments to Audited Financial Statements in Annexure VI to this report. Based on our examination of the same, we confirm that:

a) There are no qualifications in the auditors' reports that require an adjustment in the Summary of Restated Consolidated Financial Statements;

b) Adjustments for the material amounts, in the respective financial years to which they relate to, have been made in the attached summary of Restated Consolidated Financial Statements:

c) There is no change in accounting policy for all the reporting periods. Hence, there is no adjustments for the changes in accounting policies retrospectively in the reported financial years.

d) There are no further extraordinary/exceptional items other than those disclosed in the Summary of Restated Consolidated Financial Statements.

9. The figures included in the Summary of Restated Consolidated Financial Statements and Other Financial Information do not reflect the events that occurred subsequent to the date of the audit reports on the respective periods referred to above.

10. This report should not in any way be construed as a reissuance or redating of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.

11. We did not perform audit tests for the purpose of expressing an opinion on individual balances or summaries of selected transactions, and accordingly, we express no such opinion thereon.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. This report is issued at the specific request of the Company for your information and inclusion in the offer letter for right issue to be filed by the Company with SEBI and Stock Exchanges in connection with the proposed right issue of equity shares of the Company. This report may not be useful for any other purpose.

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

(Anup Kumar Dubey)
Partner.
Membership No. 054975

Place: Gurugram
Date:24th May, 2017

Annexure I - Restated Consolidated Summary Statement of Assets and Liabilities

(Rs in Lakhs)

Particulars	Note No.	As at March 31st,				
		2017	2016	2015	2014	2013
1. EQUITY AND LIABILITIES						
Shareholders' fund						
(a) Share Capital	2.1	378.93	378.93	378.57	378.57	378.57
(b) Reserves and Surplus	2.2	5,271.94	6,012.12	5,551.26	6,710.81	6,796.09
		5,650.87	**6,391.05**	**5,929.83**	**7,089.38**	**7,174.66**
2. Non-Current Liabilities						
(a) Long-Term Borrowings	2.3	2,367.07	3,356.71	1,842.69	1,344.68	705.30
(b) Deferred Tax Liabilities (Net)	2.4	-	-	-	199.57	236.75
(c) Other Long Term Liabilities	2.5	27.60	30.38	28.20	33.70	54.29
(d) Long- Term Provisions	2.6	797.92	771.64	747.30	778.31	697.22
		3,192.59	**4,158.73**	**2,618.19**	**2,356.26**	**1,693.56**
3. Current Liabilities						
(a) Short Term Borrowings	2.7	10,768.51	9,402.18	10,985.00	9,649.70	8,104.63
(b) Trade Payables	2.8					
- Due to Micro and Small Enterprises		-	-	-	-	-
- Due to Others		16,024.30	15,624.73	15,639.35	16,012.32	16,260.71
(c) Other Current Liabilities	2.9	2,928.99	3,270.58	2,659.84	2,713.46	2,812.45
(d) Short Term Provision	2.10	5.85	4.89	6.07	10.43	168.91
		29,727.65	**28,302.38**	**29,290.26**	**28,385.91**	**27,346.70**
Total Equity and Liabilities		**38,571.11**	**38,852.16**	**37,838.28**	**37,831.55**	**36,214.92**
ASSETS						
1. Non Current Assets						
(a) Fixed Assets						
(i) Tangible Assets	2.11	6,392.95	6,923.18	7,038.66	3,129.15	3,259.27
(ii) Intangible Assets	2.11	185.36	257.18	287.95	168.60	98.71
(iii) Capital Work -In -progress	2.11	1,373.98	553.15	76.61	1,763.60	787.54
(b) Non-current Investment	2.12	0.23	20.23	20.23	20.23	20.23
(c)Long - Term loans and advances	2.13	939.66	612.26	719.64	613.49	602.82
(d)Other non-current assets	2.14	2.09	1.04	6.14	5.79	5.26
(e) Deferred Tax Assets (Net)	2.4	718.98	309.10	167.65	-	-
		9,613.25	**8,676.14**	**8,316.88**	**5,700.86**	**4,773.83**
2. Current Assets						
(a) Current Investment	2.15	285.47	-	-	-	-
(b) Inventories	2.16	9,255.34	11,092.13	10,597.90	12,135.26	13,196.54
(c) Trade receivable	2.17	12,469.95	14,364.19	15,362.14	16,065.13	15,374.62
(d) Cash and Cash equivalents	2.18	1,201.80	902.70	97.83	446.81	1,516.35
(e) Short term loans and advances	2.19	650.97	553.69	412.32	403.86	221.18
(f) Other current assets	2.20	5,094.33	3,263.31	3,051.21	3,079.63	1,132.40
		28,957.86	**30,176.02**	**29,521.40**	**32,130.69**	**31,441.09**
Total Assets		**38,571.11**	**38,852.16**	**37,838.28**	**37,831.55**	**36,214.92**

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

This is the Balance Sheet referred to in our report of even date.

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

Anup Kumar Dubey
Partner
M. No. 054975
Date : May 24, 2017

For and on behalf of the Board

Sandeep Gupta
Chief Financial Officer

Surender Kumar
Managing Director & CEO
DIN: 00510137

Nitin Gupta
Company Secretary
M. No. F8485

Annexure II - Restated Consolidated Summary Statement of Profit and Loss

(Rs in Lakhs)

	Particulars	Note No.	For The Year Ended March 31st,				
			2017	2016	2015	2014	2013
I.	Revenue from Operations	2.21	41,360.08	45,262.26	48,324.82	53,958.89	56,300.37
	Less : Excise Duty		4,433.07	4,968.93	4,997.90	5,677.00	6,133.52
			36,927.01	**40,293.33**	**43,326.92**	**48,281.89**	**50,166.85**
II.	Other Income	2.22	87.28	74.48	131.54	648.21	49.07
III.	**Total Revenue (I + II)**		**37,014.29**	**40,367.81**	**43,458.46**	**48,930.10**	**50,215.92**
	Expenses :						
	Cost of materials consumed	2.23	19,056.67	23,541.61	26,783.53	31,591.30	34,283.27
	Purchases of Stock-in-trade	2.24	4,204.23	3,222.61	3,170.77	3,624.06	2,366.99
	Changes in inventories of finished goods, work-in-						
	progress and Stock-in-trade	2.25	1,098.58	(481.80)	758.03	(45.81)	(1,248.80)
	Employee benefits expense	2.26	3,478.52	3,464.98	3,669.79	3,821.42	2,871.42
	Finance Costs	2.27	2,257.13	2,215.13	2,065.18	2,097.48	1,657.62
	Depreciation and amortization expense	2.11	424.58	504.34	475.76	378.03	437.88
	Other expense	2.28	7,645.73	7,500.08	8,062.84	7,696.20	7,988.31
IV.	**Total Expenses**		**38,165.44**	**39,966.95**	**44,985.90**	**49,162.68**	**48,356.69**
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**		(1,151.15)	400.86	(1,527.44)	(232.58)	1,859.23
VI.	Exceptional Items	2.57	-	-	-	-	211.78
VII.	**Profit before extraordinary items and tax (V-VI)**		**(1,151.15)**	**400.86**	**(1,527.44)**	**(232.58)**	**1,647.45**
VIII.	Extraordinary items		-	-	-	-	-
IX.	**Profit before tax (VII - VIII)**		**(1,151.15)**	**400.86**	**(1,527.44)**	**(232.58)**	**1,647.45**
X.	Tax expense:						
	(1) Current Tax		-	-	-	-	489.38
	(2) Deferred Tax (Assets)/liabilities		(409.88)	(141.45)	(367.22)	(37.18)	1.46
	Total Tax expenses		**(409.88)**	**(141.45)**	**(367.22)**	**(37.18)**	**490.84**
XI.	**Profit/(Loss) for the Year (IX - X)**		**(741.27)**	**542.31**	**(1,160.22)**	**(195.40)**	**1,156.61**

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

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

For and on behalf of the Board

Anup Kumar Dubey	**Sandeep Gupta**	**Surender Kumar**	**Nitin Gupta**
Partner	Chief Financial Officer	Managing Director & CEO	Company Secretary
M. No. 054975		DIN: 00510137	M. No. F8485

Date : May 24, 2017
Place : Gurugram

Annexure III - Restated Consolidated Summary Statement of Cash Flows

(Rs in Lakhs)

	Particulars	For The Year Ended March 31,				
		2017	2016	2015	2014	2013
A.	**CASH FLOW FROM OPERATING ACTIVITY**					
	Net Profit before Tax and Extraordinary items	**(1,151.15)**	**400.86**	**(1,527.44)**	**(232.58)**	**1,859.23**
	Adjusted for :					
	Depreciation	424.58	504.34	475.76	378.03	437.88
	Interest/Other Income	(10.45)	(7.81)	(2.74)	(4.93)	(2.93)
	Bad debts	-	20.76	15.34	237.59	33.83
	Interest Expenses	2,257.13	2,215.13	2,065.18	2,097.48	1,657.62
	Transfer from Revaluation Reserve	-	-	-	(1.09)	(4.50)
	Loss / (Profit) on sale of Fixed Assets	39.55	(4.03)	(127.06)	(575.21)	2.38
	Loss / (Profit) on sale of Investments	(18.66)	-	-	-	-
	Exceptional items					(211.78)
	Operating Profit before Working Capital Changes	**1,541.00**	**3,129.25**	**899.04**	**1,899.29**	**3,771.73**
	Adjusted for:					
	Trade and Other Receivables	(357.02)	742.31	614.77	(2,782.04)	(3,069.80)
	Inventories	1,836.79	(494.23)	1,537.36	1,061.28	(2,615.35)
	Trade Payables & Other Liabilities	14.05	(283.68)	(637.80)	(182.51)	3,585.10
	Direct Taxes paid (net of refund)	(5.49)	(6.11)	(13.66)	(439.10)	(689.34)
	Cash Generated from Operating Activities	**3,029.33**	**3,087.54**	**2,399.71**	**(443.08)**	**982.34**
B	**CASH FLOW FROM INVESTING ACTIVITIES**					
	Purchase of Fixed Assets	(1,001.55)	(838.21)	(2,830.56)	(1,366.56)	(1,064.06)
	Sale of Fixed Assets	318.63	7.63	140.00	649.00	7.62
	Purchase of Non Current Investment	(914.53)	-	-	-	-
	Sale of Non Current Investments	953.19	-	-	-	-
	Net Purchase of Current Investments	(285.47)	-	-	-	-
	Interest /Other Income Received	10.45	7.81	2.74	4.93	2.93
	Net Cash used in Investing Activity	**(919.28)**	**(822.77)**	**(2,687.82)**	**(712.63)**	**(1,053.51)**
C	**CASH FLOW FROM FINANCIAL ACTIVITIES**					
	Net Proceeds from Long Term Borrowings	(940.50)	2,307.80	649.52	638.58	695.65
	Net Proceeds from Short Term Borrowings	1,366.33	(1,582.82)	1,335.30	1,545.07	1,223.80
	Proceeds from Issue of Share Capital	-	12.20	0.00	(0.00)	(0.00)
	Interest Paid	(2,236.78)	(2,197.08)	(2,045.69)	(2,097.48)	(1,657.62)
	Dividend Paid	-	-	-	-	-
	Net Cash used in Financing Activities	**(1,810.95)**	**(1,459.90)**	**(60.87)**	**86.17**	**261.83**
	Net Increase in Cash and Cash Equivalents (A+B+C)	**299.10**	**804.87**	**(348.98)**	**(1,069.54)**	**190.66**
	Opening Balance of Cash and Cash Equivalents	902.70	97.83	446.81	1,516.35	1,325.69
	Closing Balance of Cash and Cash Equivalents	**1,201.80**	**902.70**	**97.83**	**446.81**	**1,516.35**

Cash and cash equivalents in the balance sheet comprise of cash at bank and in hand and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure I to Annexure III.

For CHATURVEDI & PARTNERS
Chartered Accountants
(Firm Regn. No. 307068E)
Anup Kumar Dubey
Partner
M. No. 054975
Date : May 24, 2017 Place : Gurugram

For and on behalf of the Board

Sandeep Gupta
Chief Financial Officer

Surender Kumar
Managing Director & CEO
DIN: 00510137

Nitin Gupta
Company Secretary
M. No. F8485

Annexure IV- Restated Consolidated Statement of Significant Accounting Policies (Note 1)

1.1 BASIS OF PREPARATION

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

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

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

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

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

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

1.2 GENERAL

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

1.3 FIXED ASSETS

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

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

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

1.4 LEASE ACCOUNTING

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

1.5 DEPRECIATION

Depreciation on fixed assets in previous year as well as in current year is provided at the rates and in the manner specified in Schedule II of the Companies Act, 2013 and in respect of assets added/disposed off during the year on pro-rata basis with reference to the date of its use / disposal/residual value:

a) In respect of assets located at Nashik and Sikandarabad - on straight line method.

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

1.6 INVESTMENTS

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

1.7 FOREIGN CURRENCY TRANSACTIONS

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

1.8 INVENTORIES

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

1.9 SALES

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

1.10 RETIREMENT BENEFITS TO EMPLOYEES

(i) The Company operates defined contributions schemes.

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

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

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

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

1.11 **BORROWING COST**

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

1.12 **TAXES ON INCOME**

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

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.
Deferred tax assets are recognized and carried forward to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.13 **VOLUNTARY RETIREMENT SCHEME**

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

1.14 **EMPLOYEE STOCK OPTION SCHEME**

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

1.15 **CONTINGENT LIABILITIES**

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

Restated Detail of Share Capital

(Rs in Lakhs)

	Particulars	**As at March 31st,**				
2.1	**Share Capital**	**2017**	**2016**	**2015**	**2014**	**2013**
(i)	**Authorised Capital**					
	4,00,00,000 Equity Shares of Rs. 2 each	800.00	800.00	800.00	800.00	800.00
(ii)	**Issued, Subscribed and Fully Paid-up**	378.92	378.92	378.56	378.56	378.56
	1,89,45,975 Equity Shares of Rs. 2 each from 2016					
	1,89,28,000 Equity Shares of Rs. 2 each upto 2015					
(iii)	**Share Forfeiture Account**	0.01	0.01	0.01	0.01	0.01
		378.93	**378.93**	**378.57**	**378.57**	**378.57**

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

Particulars	**As at March 31, 2017**		**As at March 31, 2016**		**As at March 31, 2015**		**As at March 31, 2014**		**As at March 31,2013**	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**	**No. of Shares**	**Amount**	**No. of Shares**	**Amount**	**No. of Shares**	**Amount**
Number of shares vis-à-vis amount at the beginning	18,945,975	378.92	18,928,100	378.56	18,928,100	378.56	18,928,100	378.56	3,785,620	378.56
Add: Shares issued *	-	-	17,875	0.36	-	-	-	-	15,142,480	-
Number of shares vis-à-vis amount at the end	**18,945,975**	**378.92**	**18,945,975**	**378.92**	**18,928,100**	**378.56**	**18,928,100**	**378.56**	**18,928,100**	**378.56**

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

Rights, preferences and restrictions attached to 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.

Details of Shareholders holding more than 5% of the aggregate shares of the company:

Name of Share holders	As at March 31 , 2017		As at March 31 , 2016		As at March 31 , 2015		As at March 31 , 2014		As at March 31 , 2013	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Hind Strategic Investments	5,841,570	30.83	5,841,570	30.83	5,841,570	30.86	5,841,570	30.86	5,841,570	30.86
Hexa Securities And Finance Co. Ltd.	1,500,000	7.92	1,500,000	7.92	1,500,000	7.92	1,500,000	7.92	1,500,000	7.92
Nalwa Sons Investments Ltd (Formerly Jindal Strips Limited)	1,372,590	7.24	1,372,590	7.24	1,372,590	7.25	1,372,590	7.25	1,372,590	7.25
Colorado Trading Company Limited	1,224,635	6.46	1,224,635	6.46	1,224,635	6.47	1,224,635	6.47	1,224,625	6.47
Nalwa Investments Limited	1,193,855	6.30	1,193,855	6.30	1,193,855	6.30	1,193,855	6.30	1,193,855	6.30

(Rs in Lakhs)

	Particulars	As at March 31st, 2017	2016	2015	2014	2013
2.2	**Restated Reserves and Surplus**					
	Reserve and Surplus consist of Following reserves :					
(i)	**Capital Reserve**					
	Opening Balance	32.24	32.24	32.24	32.24	32.24
	Addition during the year (net)	-	-	-	-	-
		32.24	**32.24**	**32.24**	**32.24**	**32.24**
(ii)	**Restricted stock units reserve**					
	Employee Stock Options Outstanding	17.51	110.78	110.12	-	-
	Addition during the year (net)	1.09	(93.27)	0.67	110.12	-
		18.60	**17.51**	**110.79**	**110.12**	**-**
(iii)	**Securities Premium Account**					
	Opening Balance	961.10	949.27	949.27	949.27	949.27
	Addition during the year (net)	-	11.83	-	-	-
		961.10	**961.10**	**949.27**	**949.27**	**949.27**
(iv)	**Fixed Asset Revaluation Reserve**					
	Opening Balance	-	-	-	-	286.31
	Transferred to Profit and Loss Statement	-	-	-	(1.09)	(4.50)
	Less Revaluation Reserve	-	-	-	1.09	(281.81)
		-	-	-	-	-
(v)	**Export Profit Reserve**					
	Opening Balance	-	-	-	-	1.95
	Addition during the year (net)	-	-	-	-	(1.95)
		-	-	-	-	-
(vi)	**General Reserve**					
	Opening Balance	3 758.51	3,758.51	3,758.51	3,758.51	3,756.56
	Add: Transferred from the Statement of Profit and Loss	-	-	-	-	-
	Add: Transferred from Export Profit Reserve	-	-	-	-	1.95
	Closing Balance	**3 758.51**	**3 758.51**	**3 758.51**	**3 758.51**	**3 758.51**

(vii)	**Surplus in the Statement of Profit and loss**					
	Opening Balance	1 242.76	700.45	1,860.67	2,056.07	899.46
	Add: Profit for the year	(741.27)	542.31	(1,160.22)	(195.40)	1,156.61
		501.49	**1 242.76**	**700.45**	**1 860.67**	**2 056.07**
	Total	**5,271.94**	**6,012.12**	**5,551.26**	**6,710.81**	**6,796.09**

(Rs in Lakhs)

	Particulars	**As at March 31st,**				
		2017	**2016**	**2015**	**2014**	**2013**
2.3	**Restated Long-Term Borrowings**					
(A)	**Secured**					
	Term Loans					
(i)	**Term Loan South Project**					
	10.95%, HDFC Bank Ltd (repayable in 11 Quarterly installments, Starting from 29.11.2015 and ending on 29.05.2018)	75.30	377.26	677.71	377.10	-
	11.25 %, State Bank of India (Repayable in 28 monthly installments starting from 30.04.2016 and ending on 31.07.2018)	144.00	665.00	1,164.98	965.96	700.25
		219.30	**1 042.26**	**1 842.69**	**1 343.06**	**700.25**
	[Secured by (i) first charge , ranking pari passu , by way of an equitable mortgage on the land and building , and hypothecation of other fixed assets thereon , at the Company's factory at Nasik, Maharashtra (ii) first charge , ranking pari passu, by way of hypothecation of plant and machinery at the Company's factory situated at Howrah, West Bengal (iii) second charge, raking pari passu , on the fixed assets of the Company at its factory situated at Sikandarabad, Uttar Pradesh (iv) first pari passu charge by way of equitable mortgage of land and building of the Company situated at village-Chinnapuliyur , Taluka-Gummidipoondi ,District - Thiruvallur, Tamil Nadu ; and hypothecation charge over plant and machinery to be purchased out of the term loan (v) Second pari passu charge on the entire current assets of the Company.]					
(ii)	**Term Loan (others) (Refer Note No. 2.47)**					
	13.5% India Bulls Housing Finance Ltd (Repayable in 84 monthly installments starting from 05.05.2016 and ending on 05.04.2023) (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)	405.90	458.01	-	-	-
	13.0% Religare Finvest Ltd (Repayable in 117 monthly installments starting from 01.08.2016 and ending on 01.04.2026) [Secured by First charge on company's the immovable & movable properties of Sikandarabad plant situated at Plot No A1 & A2 UPSIDC Industrial Area, Sikandarabad Distt- Bulandshahar (U.P)]	1,741.87	1,856.44	-	-	-
		2,147.77	**2,314.45**	**-**	**-**	**-**
(iii)	**Vehicle loan From HDFC Bank Ltd**	-	-	-	1.62	5.05

	Secured by hypothecation of vehicle. The loan has been fully repaid in financial year 2014-15.					
		-	-	-	1.62	5.05
	Total	**2,367.07**	**3,356.71**	**1,842.69**	**1,344.68**	**705.30**

(Rs in Lakhs)

	Particulars	As at March 31st,				
		2017	2016	2015	2014	2013
2.4	**Restated Deferred Tax Assets /(Liabilities) (net)**					
(i)	**Deferred Tax Assets**	996.64	684.26	597.17	108.38	37.37
	Carried forward losses					
	Expenses allowable on payment basis					
(ii)	**Deferred Tax Liabilities**	(277.66)	(375.16)	(429.52)	(307.95)	(274.12)
	Depreciation and related items					
	Net deferred tax assets/(liabilities)	**718.98**	**309.10**	**167.65**	**(199.57)**	**(236.75)**

(Rs in Lakhs)

	Particulars	As at March 31st,				
		2017	2016	2015	2014	2013
2.5	**Restated Other Long Term Liabilities**					
	Trade and Security Deposit	27.60	30.38	28.20	33.70	54.29
	Total	**27.60**	**30.38**	**28.20**	**33.70**	**54.29**

(Rs in Lakhs)

	Particulars	As at March 31st,				
		2017	2016	2015	2014	2013
2.6	**Restated Long Term Provisions**					
	Provision for Employees' Benefits (note 2.43)	497.92	471.64	447.30	478.31	397.22
	Others	300.00	300.00	300.00	300.00	300.00
	Total	**797.92**	**771.64**	**747.30**	**778.31**	**697.22**

(Rs in Lakhs)

	Particulars	As at March 31st,				
		2017	2016	2015	2014	2013
2.7	**Restated Short Term Borrowings**					
	Secured					
(i)	**Loans repayable on demand**	10,768.51	9,402.18	10,985.00	9,649.70	7,104.63
	From Bank (Cash credit and WCDL) [Secured by (i) **first charge** , ranking pari passu (a) by way of hypothecation on the entire stocks and current assets of the Company (b) by way of equitable mortgage of land and building, and hypothecation of other fixed assets thereon, of the Company's factory, at Nasik, Maharashtra (c) by way of hypothecation of plant and machinery at the Company's factory situated at Howrah, West Bengal (ii) **second charge** , ranking pari passu,(a) on the fixed assets of the Company at its factory situated at Sikandarabad ,Uttar Pradesh (b) by way of equitable mortgage of land and building situated at village – Chinnapuliyur , Taluka-Gummidipoondi, District-Tiruvallur, Tamil Nadu ; and hypothecation of plant and machinery to be purchased out of term loan.]					
	Unsecured					
(ii)	Short Term Loan	-	-	-	-	1,000.00
	Total	**10,768.51**	**9,402.18**	**10,985.00**	**9,649.70**	**8,104.63**

(Rs in Lakhs)

Particulars		As at March 31st,				
		2017	2016	2015	2014	2013
2.8	**Restated Trade Payables**					
(i)	Due to Micro and Small Enterprises	-	-	-	-	-
(ii)	Due to Others (including acceptances)	16,024.30	15,624.73	15,639.35	16,012.32	16,260.71
	Total	**16,024.30**	**15,624.73**	**15,639.35**	**16,012.32**	**16,260.71**

(Rs in Lakhs)

Particulars		As at March 31st,				
		2017	2016	2015	2014	2013
2.9	**Restated Other Current Liabilities**					
	Secured					
(i)	Current Maturity of Long-term debts	995.89	946.75	152.97	1.46	2.26
(ii)	Interest accrued and due on borrowings	57.89	37.54	19.49	-	-
(iii)	Unpaid Dividend	10.01	11.75	15.01	18.18	20.63
(iv)	**Other Payables**					
	Employee's remuneration	262.51	174.56	350.78	317.54	186.33
	Statutory Payment	874.42	551.83	692.62	632.95	728.52
	Advance from Customer	178.94	380.26	351.23	98.30	64.84
	Others (Operating Expenses)	549.33	1,167.89	1,077.74	1,645.03	1,809.87
	Total	**2,928.99**	**3,270.58**	**2,659.84**	**2,713.46**	**2,812.45**

(Rs in Lakhs)

Particulars		As at March 31st,				
		2017	2016	2015	2014	2013
2.10	**Restated Short Term Provision**					
	Others					
(i)	Provision for Income tax (net)	-	-	-	-	151.93
(ii)	Provision for Employee Benefits	5.85	4.89	6.07	10.43	16.98
	Total	**5.85**	**4.89**	**6.07**	**10.43**	**168.91**

(Rs in Lakhs)

Particulars		As at March 31st,				
		2017	2016	2015	2014	2013
2.11	**Restated Fixed assets**					
	Tangible Assets	6,392.95	6,923.18	7,038.66	3,129.15	3,259.27
	Intangible Assets	185.36	257.18	287.95	168.60	98.71
	Capital Work in Progress	1,373.98	553.15	76.61	1,763.60	787.54
	Total	**7,952.29**	**7,733.51**	**7,403.22**	**5,061.35**	**4,145.52**

Note No: 2.11 Restated Consolidated Fixed Assets Schedule for the year ended 31st March, 2017

(Rs.in Lakhs)

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at Apr 1,2016	Additions	Deletion / Adjustments	As at Mar 31,2017	As at Apr 1,2016	For the year	Deletion / Adjustments	As at Mar 31,2017	As at Mar31,2017	As at Mar31,2016
Tangible Assets										
Land	868.95	-	-	**868.95**	-	-	-	-	**868.95**	868.95
Building	4,996.95	9.04	577.41	**4,428.58**	891.98	45.96	395.49	**542.45**	**3,886.13**	4,104.97
Plant & Machinery	2,444.07	95.26	803.65	**1,735.68**	1,351.31	105.68	680.95	**776.04**	**959.64**	1,092.76
Leased Equipment	1,948.70	38.78	-	**1,987.49**	1,315.41	134.37	-	**1,449.78**	**537.72**	633.30
Furniture And Fixture	474.70	2.30	130.72	**346.28**	325.39	34.21	78.12	**281.48**	**64.80**	149.31
Office Equipment	943.43	32.72	24.60	**951.55**	882.28	24.65	23.64	**883.28**	**68.26**	61.15
Motor Vehicles	108.22	-	-	**108.22**	95.49	5.28	-	**100.77**	**7.45**	12.73
TOTAL (A)	**11,785.04**	**178.09**	**1,536.39**	**10,426.74**	**4,861.86**	**350.15**	**1,178.20**	**4,033.81**	**6,392.95**	**6,923.17**
II. Intangible Assets										
Computer software	770.06	2.62	-	**772.68**	631.13	52.70	-	**683.83**	**88.85**	138.93
Trade Mark	93.41	-	-	**93.41**	43.63	13.44	-	**57.07**	**36.33**	49.78
Technical know how	132.00	-	-	**132.00**	63.53	8.29	-	**71.82**	**60.18**	68.47
Total (B)	**995.47**	**2.62**	**-**	**998.09**	**738.29**	**74.43**	**-**	**812.73**	**185.36**	**257.18**
III. Capital Work In Progress	**553.15**	**848.13**	**27.29**	**1,373.98**	**-**	**-**	**-**	**-**	**1,373.98**	**553.15**
Total (C)	**553.15**	**848.13**	**27.29**	**1,373.98**	**-**	**-**	**-**	**-**	**1,373.98**	**553.15**
Total (A+B+C)	**13,333.65**	**1,028.84**	**1,563.68**	**12,798.82**	**5,600.15**	**424.58**	**1,178.20**	**4,846.54**	**7,952.29**	**7,733.50**

Note No: 2.11 Restated Consolidated Fixed Assets Schedule for the year ended 31st March, 2016

(Rs.in Lakhs)

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at Apr 1,2015	Additions	Deletion / Adjustments	As at Mar 31,2016	As at Apr 1,2015	For the year	Deletion / Adjustments	As at Mar 31,2016	As at Mar 31,2016	As at Mar 31,2015
I. Tangible Assets										
Land	868.95	-	-	**868.95**	-	-	-	-	**868.95**	868.95
Building	4,812.73	184.22	-	**4,996.95**	840.16	51.82	-	**891.98**	**4,104.97**	3,972.57
Plant & Machinery	2,456.40	83.69	96.02	**2,444.07**	1,317.13	126.74	92.56	**1,351.31**	**1,092.76**	1,139.28
Leased Equipment	1,940.39	8.31	-	**1,948.70**	1,178.05	137.36	-	**1,315.41**	**633.30**	762.35
Furniture And Fixture	471.86	2.96	0.12	**474.70**	276.19	49.24	0.04	**325.39**	**149.31**	195.66
Office Equipment	931.68	15.01	3.26	**943.43**	849.51	36.04	3.26	**882.28**	**61.15**	82.17
Motor Vehicles	113.41	-	5.19	**108.22**	95.73	4.89	5.13	**95.49**	**12.73**	17.67

TOTAL (A)	**11,595.43**	**294.19**	**104.59**	**11,785.03**	**4,556.77**	**406.09**	**100.99**	**4,861.86**	**6,923.18**	**7,038.66**
II. Intangible Assets										
Computer software	702.58	67.48	-	**770.06**	559.67	71.46	-	**631.13**	**138.93**	142.91
Trade Mark	93.41	-	-	**93.41**	25.22	18.41	-	**43.63**	**49.78**	68.19
Technical know how	132.00	-	-	**132.00**	55.15	8.38	-	**63.53**	**68.47**	76.85
Total (B)	**927.98**	**67.48**	**-**	**995.46**	**640.04**	**98.25**	**-**	**738.29**	**257.18**	**287.95**
III. Capital Work In Progress	**76.61**	**573.94**	**97.40**	**553.15**	**-**	**-**	**-**	**-**	**553.15**	**76.61**
Total (C)	**76.61**	**573.94**	**97.40**	**553.15**	**-**	**-**	**-**	**-**	**553.15**	**76.61**
Total (A+B+C)	**12,600.01**	**935.61**	**201.99**	**13,333.63**	**5,196.81**	**504.34**	**100.99**	**5,600.15**	**7,733.50**	**7,403.22**

Note No: 2.11 Restated Consolidated Fixed Assets Schedule for the year ended 31st March, 2015

(Rs.in Lakhs)

	GROSS BLOCK					**ACCUMULATED DEPRECIATION**				**NET BLOCK**	
Particulars	**As at Apr 1,2014**	**Revaluation Reserve**	**Additions**	**Deletion / Adjustments**	**As at Mar 31,2015**	**As at Apr 1,2014**	**For the year**	**Deletion / Adjustments**	**As at Mar 31,2015**	**As at Mar 31,2015**	**As at Mar 31,2014**
I. Tangible Assets											
Land	868.95	202.41	-	-	**868.95**	-	-	-	-	**868.95**	868.95
Building	1,446.62	111.04	3,280.80	(85.31)	**4,812.73**	730.85	56.88	(52.44)	**840.16**	**3,972.57**	715.77
Plant & Machinery	1,650.90	364.63	837.73	32.23	**2,456.40**	1,264.15	94.78	41.81	**1,317.12**	**1,139.28**	386.75
Leased Equipment	1,865.79		77.12	2.51	**1,940.39**	988.59	189.46	-	**1,178.05**	**762.35**	877.20
Furniture And Fixture	393.59		78.27	-	**471.86**	234.05	42.14	-	**276.19**	**195.66**	159.54
Office Equipment	902.06		29.62	-	**931.68**	806.98	42.53	-	**849.51**	**82.17**	95.08
Motor Vehicles	113.41		-	-	**113.41**	87.55	8.19	-	**95.74**	**17.67**	25.86
TOTAL (A)	**7,241.32**	**678.08**	**4,303.54**	**(50.57)**	**11,595.43**	**4,112.17**	**433.97**	**(10.63)**	**4,556.77**	**7,038.66**	**3,129.15**
II. Intangible Assets											
Computer software	610.71		91.87	-	**702.58**	547.94	11.73	-	**559.67**	**142.91**	62.77
Trade Mark	93.41		-	-	**93.41**	-	25.22	-	**25.22**	**68.18**	93.41
Technical Know How	62.72		69.28	-	**132.01**	50.30	4.85	-	**55.15**	**76.86**	12.42
Total (B)	**766.84**		**161.15**	**-**	**927.99**	**598.24**	**41.80**	**-**	**640.04**	**287.95**	**168.60**
III. Capital Work In Progress	1,763.60		2,409.45	4,096.45	**76.61**	-		-	-	**76.61**	1,763.60
Total (C)	**1,763.60**		**2,409.45**	**4,096.45**	**76.61**	**-**		**-**	**-**	**76.61**	**1,763.60**
Total (A+B+C)	**9,771.75**		**6,874.14**	**4,045.88**	**12,600.02**	**4,710.42**	**475.76**	**(10.63)**	**5,196.81**	**7,403.22**	**5,061.35**

Note No: 2.11 Restated Consolidated Fixed Assets Schedule for the year ended 31st March, 2014

(Rs.in Lakhs)

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at April 1,2013	Additions	Deletion / Adjustments	As at Mar 31,2014	As at April 1,2013	For the year	Deletion / Adjustments	As at Mar 31,2014	As at Mar 31,2014	As at March 31,2013
I. Tangible Assets										
Land	857.01	11.94	-	**868.95**	-	-	-	-	**868.95**	857.01
Building	1,701.55	9.09	264.02	**1,446.62**	811.35	54.00	134.50	**730.85**	**715.77**	890.20
Plant & Machinery	1,897.26	63.00	309.36	**1,650.90**	1,477.55	69.96	283.36	**1,264.15**	**386.75**	419.71
Leased Equipment	1,759.07	106.72	-	**1,865.79**	856.08	132.51	-	**988.59**	**877.20**	902.99
Furniture And Fixture	273.44	120.15	-	**393.59**	221.91	12.14	-	**234.05**	**159.54**	51.53
Office Equipment	853.01	49.05	-	**902.06**	748.68	58.30	-	**806.98**	**95.08**	104.33
Motor Vehicles	113.41	-	-	**113.41**	79.91	7.64	-	**87.55**	**25.86**	33.50
TOTAL (A)	**7,454.75**	**359.95**	**573.38**	**7,241.32**	**4,195.48**	**334.55**	**417.86**	**4,112.17**	**3,129.15**	**3,259.27**
II. Intangible Assets										
Computer software	590.75	19.96	-	**610.71**	509.11	38.83	-	**547.94**	**62.77**	81.64
Technical know how	62.72	-	-	**62.72**	45.65	4.65	-	**50.30**	**12.42**	17.07
Trade Mark	-	93.41	-	**93.41**	-	-	-	-	**93.41**	-
Total (B)	**653.47**	**113.37**	-	**766.84**	**554.76**	**43.48**	-	**598.24**	**168.60**	**98.71**
III. Capital Work In Progress										
Capital WIP	-	1,763.60	-	**1,763.60**	-	-	-	-	**1,763.60**	787.54
Total (C)	-	**1,763.60**	-	**1,763.60**	-	-	-	-	**1,763.60**	**787.54**
Total (A+B+C)	**8,108.22**	**2,236.92**	**573.38**	**9,771.76**	**4,750.24**	**378.03**	**417.86**	**4,710.41**	**5,061.35**	**4,145.52**

Note 1: Depreciation for the year includes Rs. 10.31 Lakhs on account of assets whose life has elapsed.

Note No: 2.11 Restated Consolidated Fixed Assets Schedule for the year ended 31st March, 2013

Particulars	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK	
	As at April 1,2012	Revaluation Reserve	Additions	Deletion / Adjustments	As at March 31,2013	As at April 1,2012	Revaluation Reserve	For the year	Deletion / Adjustments	As at March 31,2013	As at March 31,2013	As at March 31,2012
I. Tangible Assets												
Land	1,059.42	202.41	-	-	857.01	-	-	-	-	-	857.01	1,059.42
Building	1,775.58	111.04	37.01	-	1,701.55	785.60	27.14	52.89	-	811.35	890.20	989.98
Plant & Machinery	2,179.36	364.63	82.53	-	1,897.26	1,780.40	364.63	61.78	-	1,477.55	419.71	398.96
Leased Equipment	1,559.54		213.76	(14.23)	1,759.07	726.84		129.38	(0.14)	856.08	902.99	832.70
Furniture And Fixture	269.42		4.02	-	273.44	175.12		46.79	-	221.91	51.53	94.30
Office Equipment	824.95		23.85	4.21	853.01	679.83		69.01	(0.16)	748.68	104.33	145.12
Motor Vehicles	113.29		5.51	(5.39)	113.41	77.02		7.99	(5.10)	79.91	33.50	36.27
TOTAL (A)	**7,781.56**	**678.08**	**366.68**	**(15.41)**	**7,454.75**	**4,224.81**	**391.77**	**367.83**	**(5.41)**	**4,195.48**	**3,259.27**	**3,556.75**
II. Intangible Assets												
Computer software	590.01		0.74	-	590.75	443.70		65.41	-	509.11	81.64	146.31
Technical know how	62.72		-	-	62.72	41.00		4.65	-	45.65	17.07	21.72
Total (B)	**652.73**		**0.74**	-	**653.47**	**484.70**		**70.06**	-	**554.76**	**98.71**	**168.03**
III. Capital Work In Progress												
Capital WIP	-		-	-	-			-	-	-	787.54	90.90

Total (C)	**-**		**-**	**-**	**-**			**-**	**-**	**-**	**787.54**	**90.90**
Total (A+B+C)	**8,434.29**		**367.42**	**(15. 41)**	**8,108.22**	**4,709.51**	**391.77**	**437.88**	**(5.41)**	**4,750.24**	**4,145.52**	**3,815.6 8**

Note 1: Depreciation for the year includes Rs. 53.79 Lakhs on account of assets whose life has elapsed.

Note 2: Accumulated Depreciation as on 01st April, 2012 includes Rs. 47.52 Lakhs on account of assets whose life has elapsed.

(Rs in Lakhs)

	Particulars	**As at March 31st,**				
		2017	**2016**	**2015**	**2014**	**2013**
2.12	**Restated Non Current Investments - Other Investment, at cost**					
(i)	**Investment in Debentures or Bonds - Unquoted**					
	(Non redeemable debenture mortgage stock 1957)					
	Rs. 6,500 1/2% Woodland Medical Centre Ltd.	0.06	0.06	0.06	0.06	0.06
	Rs. 17,000 5% Woodland Medical Centre Ltd.	0.17	0.17	0.17	0.17	0.17
(ii)	**Investment in Mutual Funds - Quoted**					
	UTI Money Market Fund - Institutional Fund - Direct Plan Growth	-	20.00	20.00	20.00	20.00
	Total	**0.23**	**20.23**	**20.23**	**20.23**	**20.23**
	Aggregate amount of Unquoted Investments	0.23	20.23	20.23	20.23	20.23
	Aggregate amount of Quoted Investments	-	20.00	20.00	20.00	20.00
	Aggregate Market Value of Quoted Investments	-	19.04	22.44	15.25	13.48

(Rs in Lakhs)

	Particulars	**As at March 31st,**				
		2017	**2016**	**2015**	**2014**	**2013**
2.13	**Restated Long Terms Loans and advances**					
	(Unsecured, considered good)					
(i)	Security Deposit	178.91	204.25	219.83	182.41	127.82
(ii)	Capital advance	760.75	408.01	499.81	431.08	475.00
	Total	**939.66**	**612.26**	**719.64**	**613.49**	**602.82**

(Rs in Lakhs)

	Particulars	**As at March 31st,**				
2.14	**Restated Other Non Current Assets**	**2017**	**2016**	**2015**	**2014**	**2013**
	(Unsecured, considered good)					
	Preoperative & Others	2.09	1.04	6.14	5.79	5.26
	Total	**2.09**	**1.04**	**6.14**	**5.79**	**5.26**

(Rs in Lakhs)

	Particulars	**As at March 31st,**				
		2017	**2016**	**2015**	**2014**	**2013**
2.15	**Restated Current Investments – Trade Investment, at cost**					
	Investment in Mutual Funds - Quoted					
	UTI- Money Market Fund - Institutional Plan - Direct Plan- Growth	285.47	-	-	-	-
	(Market Value of 16000.36 Units @NAV Rs 1824.22)					
	Total	**285.47**	**-**	**-**	**-**	**-**
	Market value of Quoted Investment	**291.88**				

(Rs in Lakhs)

	Particulars	As at March 31st, 2017	2016	2015	2014	2013
2.16	**Restated Inventories**					
	(at cost or net realisable value, whichever is lower)					
	1) Raw Material					
	i) Raw Material	1,525.07	2,231.06	2,304.29	2,757.32	4,246.00
	ii) Raw Material in Transit	52.94	129.17	22.97	364.81	-
	2) Work- in -Progress	156.52	326.38	232.81	241.78	444.49
	3) Finished Goods					
	i) Finished Goods*	7,085.21	7,959.46	7,649.42	8,650.14	8,401.62
	ii) Finished Goods in Transit	275.37	329.85	251.66	-	-
	Stores and spares	160.23	116.21	136.75	121.21	104.43
	Total	**9,255.34**	**11,092.13**	**10,597.90**	**12,135.26**	**13,196.54**

*Finished goods include stock in trade

	Particulars	As at March 31st, 2017	2016	2015	2014	2013
2.17	**Restated Trade receivables**					
(i)	(Unsecured, considered good)					
	outstanding for a period exceeding six months from due date	2,933.24	3,117.12	4,251.74	3,014.10	1,081.22
(ii)	Others	9,536.71	11,247.07	11,110.40	13,051.03	14,293.40
	Total	**12,469.95**	**14,364.19**	**15,362.14**	**16,065.13**	**15,374.62**

(Rs in Lakhs)

	Particulars	As at March 31st, 2017	2016	2015	2014	2013
2.18	**Restated Cash and Bank Balances**					
	Cash and Cash Equivalents:					
(i)	Balances with Banks (in current account)	189.07	101.08	59.08	62.19	97.80
(ii)	Cheque, drafts on hand	615.30	749.82	-	352.75	1,387.37
(iii)	Cash on hand	4.90	15.63	11.83	11.85	10.17
(iv)	**Other Bank Balances:**					
	Unpaid Dividend Account	10.01	11.75	15.01	18.18	20.63
	Fixed Deposit Account	372.69	17.46	-	-	0.38
	Margin Money	9.83	6.96	11.91	1.84	-
	Total	**1,201.80**	**902.70**	**97.83**	**446.81**	**1,516.35**

(Rs in Lakhs)

	Particulars	As at March 31st, 2017	2016	2015	2014	2013
2.19	**Restated Short term loans and advances - Unsecured, considered good**					
	Advances to suppliers	306.43	209.34	76.43	79.66	186.28
	Advance to Employee	32.11	37.41	35.06	37.03	34.90
	Advance Tax (Net of Provision for Tax)	312.43	306.94	300.83	287.17	-
	Total	**650.97**	**553.69**	**412.32**	**403.86**	**221.18**

(Rs in Lakhs)

	Particulars	As at March 31st,				
		2017	2016	2015	2014	2013
2.20	**Restated Other Current Assets**					
(i)	Prepaid Expenses	131.90	227.44	165.24	229.35	86.17
(ii)	Short term deposit	461.32	430.18	343.45	328.78	309.66
(iii)	Other Receivables	3,881.82	1,883.38	1,971.44	2,258.86	475.91
(iv)	Balances with Revenue Authorities	619.29	722.31	571.08	262.64	260.66
	Total	**5,094.33**	**3,263.31**	**3,051.21**	**3,079.63**	**1,132.40**

(Rs.in Lakhs)

	Particulars	For The Year Ended March 31st,				
		2017	2016	2015	2014	2013
2.21	**Revenue from Operations**					
(i)	Revenue from Sale of Products	43,931.42	47,902.19	51,909.04	57,350.42	60,015.11
(ii)	Other Operating Revenue	123.05	156.95	220.69	403.42	282.39
		44,054.47	**48,059.14**	**52,129.73**	**57,753.84**	**60,297.50**
	Less : Discounts	2,694.39	2,796.88	3,804.91	3,794.95	3,997.13
		41,360.08	**45,262.26**	**48,324.82**	**53,958.89**	**56,300.37**
	Less : Excise duty	4,433.07	4,968.93	4,997.90	5,677.00	6,133.52
	Total	**36,927.01**	**40,293.33**	**43,326.92**	**48,281.89**	**50,166.85**

(Rs.in Lakhs)

	Particulars	For The Year Ended March 31st,				
		2017	2016	2015	2014	2013
2.22	**Other Income**					
	Interest	10.45	7.81	2.74	4.93	2.93
	Profit on Sale of Fixed Assets		4.03	127.06	575.21	(2.38)
	Foreign Exchange Gain/Loss		-	-	-	-
	Rent Receipt	0.25	-	-	6.51	6.30
	Miscellaneous Receipts	18.66	-	-	-	6.47
	Miscellaneous Receipts-includes debtors/ creditors/ provision					
	for Doubtful debts written back	57.92	62.64	1.74	61.56	35.75
	Total	**87.28**	**74.48**	**131.54**	**648.21**	**49.07**

(Rs.in Lakhs)

	Particulars	For The Year Ended March 31st,				
		2017	2016	2015	2014	2013
2.23	**Cost of Materials Consumed**					
	Organic acid/chemicals	4,538.58	6,561.37	6,962.03	8486.60	9052.56
	Pigments	2,701.40	2,978.41	3,993.17	4510.73	5281.66
	Solvents & Oils	5,961.02	6,176.35	8,313.99	10790.26	10501.03
	Packages and Packing Materials	2,411.93	2,759.46	3,119.32	3463.55	3497.88
	Others*	3,443.74	5,066.02	4,395.02	4340.16	5950.14
	* Includes individual items of less than 10% of the total and therefore, not considered for the above classification.					
	Total	**19,056.67**	**23,541.61**	**26,783.53**	**31,591.30**	**34,283.27**

(Rs.in Lakhs)

	Particulars	For The Year Ended March 31st,				
		2017	2016	2015	2014	2013
2.24	**Purchase of Stock-in-Trade**	4,204.23	3,222.61	3,170.77	3,624.06	2,366.99
	Total	**4,204.23**	**3,222.61**	**3,170.77**	**3 624.06**	**2 366.99**

(Rs.in Lakhs)

	Particulars	For The Year Ended March 31st,				
		2017	2016	2015	2014	2013
2.25	**Changes in inventories of finished goods, work-in-progress and Stock-in-trade**					
	Closing Stock					
	Finished Goods	7,360.58	8,289.31	7,901.08	8,650.14	8,401.62
	Work-in-progress	156.53	326.38	232.81	241.78	444.49
	Total	**7,517.11**	**8,615.69**	**8,133.89**	**8,891.92**	**8,846.11**
	Opening Stock					
	Finished Goods	8289.31	7901.08	8650.14	8401.62	6953.50
	Work-in-progress	326.38	232.81	241.78	444.49	643.81
		8,615.69	**8,133.89**	**8,891.92**	**8,846.11**	**7,597.31**
	Total	**1,098.58**	**(481.80)**	**758.03**	**(45.81)**	**(1,248.80)**

Restated Consolidated Statement of Notes to Summary Financial Statements

(Rs.in Lakhs)

	Particulars	For The Year Ended March 31st,				
		2017	2016	2015	2014	2013
2.26	**Employee Benefits Expense**					
	Salaries and Wages	3,108.07	3,061.91	3,259.17	3119.76	2300.09
	Contribution to provident and other funds	147.05	149.95	147.27	270.33	223.01
	Expenses on Employee Stock Option Plan	4.20	6.99	6.21	-	-
	Staff Welfare Expenses	219.20	246.13	257.14	431.33	348.32
	Total	**3,478.52**	**3,464.98**	**3,669.79**	**3,821.42**	**2,871.42**

(Rs.in Lakhs)

	Particulars	For The Year Ended March 31st,				
		2017	2016	2015	2014	2013
2.27	**Finance Costs**					
	Interest expense and Other Expenses	1,940.05	1,932.54	1,795.42	1635.18	1512.37
	Foreign exchange gain / loss	14.41	16.37	99.57	267.79	
	other borrowing cost	302.67	266.22	170.19	194.51	145.25
	Total	**2,257.13**	**2,215.13**	**2,065.18**	**2,097.48**	**1,657.62**

(Rs.in Lakhs)

	Particulars	For The Year Ended March 31st,				
		2017	2016	2015	2014	2013
2.28	**Other Expense**					
	Consumption of stores and spare parts	41.88	45.78	57.46	92.99	125.14
	Power and fuel	234.71	251.38	228.10	433.47	465.00
	Rent	516.30	477.44	452.17	307.01	213.30
	Repairs:					
	Building	7.70	10.33	24.32	34.29	34.99
	Plant and machinery	65.37	63.02	107.24	86.36	47.26
	Others	183.40	145.28	193.91	180.41	128.07
	Insurance	63.66	77.23	34.34	28.19	16.71
	Rates and taxes	17.51	16.56	47.98	56.44	30.99
	Printing and stationery	33.78	36.02	65.00	52.96	80.68

	Communication expenses	115.72	114.89	143.06	109.11	99.59
	Directors' fees	4.60	4.80	4.40	4.70	3.00
	Payment to the Auditor	13.95	13.60	12.04	9.56	7.52
	Cost Audit Fees	-	-	0.55	0.50	0.55
	C & F Charges	129.43	148.48	150.28	205.09	226.73
	Travelling expenses	566.14	590.83	631.89	598.18	459.69
	Application Charges	49.11	164.07	249.06	305.20	725.28
	Freight	2,794.91	2,796.20	3,234.78	2739.18	2452.74
	Discount and Rebates	1,948.81	1,913.40	1,759.60	1800.37	2389.12
	Loss on sale of fixed assets	39.55	-	-	-	
	Bad Debts	-	20.76	15.34	237.59	33.83
	Miscellaneous Expenses	819.20	610.01	651.32	414.60	448.12
	Total	**7,645.73**	**7,500.08**	**8,062.84**	**7,696.20**	**7,988.31**

Restated Consolidated Statement of Notes to Summary Financial Statements – Annexure V

2.29 Contingent Liabilities **(Rs.in Lakhs)**

	Particulars	For the year ended March, 31				
		2017	2016	2015	2014	2013
Contingent liability not provided for in respect of:						
(i)	Excise Duty	391.86	302.59	293.71	315.33	209.20
(ii)	Bank Guarantee	882.06	774.40	1,479.10	1,530.84	1,322.75
(iii)	Sales Tax (excluding liability on account of C/F Forms)	772.97	676.73	576.04	432.18	354.81
	The management is of the opinion that these forms will be collected in due course, and no significant liabilities is expected in this respect					
(iv)	Claims against the Company not acknowledged as debt (to the extent ascertained)	183.32	73.86	74.36	56.62	57.47
(v)	Income Tax	62.73	53.68	47.95	11.06	5.45

2.30 Commitments **(Rs.in Lakhs)**

	Particulars		For the year ended March, 31			
		2017	2016	2015	2014	2013
(i)	Estimated amount of capital commitments, net of advance	542.67	1.42	186.49	393.75	1,654.21
(ii)	Uncalled Liability on Partly paid up shares	40.50	40.50	40.50	40.50	40.5

2.31 Auditors' Remuneration **(Rs.in Lakhs)**

	Particulars		For the year ended March, 31			
		2017	2016	2015	2014	2013
(i)	Audit Fees	6.66	6.60	6.00	5.00	4.00
(ii)	Tax Audit Fees	1.25	1.25	1.00	0.90	0.75
(iii)	Certification fees and other Services	2.75	2.95	2.05	1.61	0.95
(iv)	Reimbursement of Exp.	3.29	2.80	2.99	2.05	1.82

2.32CIF Value of Imports **(Rs.in Lakhs)**

	Particulars		For the year ended March, 31			
		2017	2016	2015	2014	2013
	Raw Materials	1724.99	1578.28	2207.00	2699.00	3928.8

2.33i) Consumption of imported and indigenous raw materials **(Rs.in Lakhs)**

	Particulars	For the year ended March, 31									
		2017		2016		2015		2014		2013	
		%	Rs.(Lac)	%	Rs.(Lac)	%	Rs.(Lac)	%	Rs.(Lac)	%	Rs.(Lac)
(i)	Imported	10.74	2,045.87	7.91	1,865.28	10.98	2,946.03	11.49	3,639.40	9.00	3,096.41
(ii)	Indigenous	89.26	17,010.80	92.09	21,676.33	89.02	23,837.50	88.51	27,951.90	91.00	31,186.86
		100.00	**19,056.67**	**100.00**	**23,541.61**	**100.00**	**26,783.53**	**100.00**	**31,591.30**	**100.00**	**34,283.27**

ii) There is no imported stores and spares consumption. Hence, consumption of stores is of indigenous as disclosed in other expenses note no. 2.28

2.34 Expenditure in foreign currency **(Rs in Lakhs)**

	Particulars	For the year ended March, 31				
		2017	2016	2015	2014	2013
(i)	Travelling Expenses	0.38	1.72	3.81	5.76	2.08
(ii)	Testing Charges	1.16	3.76	2.47	0.97	0.31

2.35 Earnings in foreign currency **(Rs in Lakhs)**

	Particulars		For the year ended March, 31			
		2017	2016	2015	2014	2013
	FOB Value of Export	379.52	278.48	306.14	304.66	206.11

2.36 The Company has adopted Accounting Standard 22 "Accounting for Taxes on Income" **(Rs in Lakhs)**

Particulars	For the year ended March 31,2017	Charge /(Credit) during the year	For the year ended March 31,2016	Charge /(Credit) during the year	For the year ended March 31,2015	Charge /(Credit) during the year	For the year ended March 31, 2014	Charge /(Credit) during the year	For the year ended March 31, 2013	Charge /(Credit) during the year
Deferred Tax Assets										
Carry forward losses/ Expenses allowable on payment basis	(996.64)	(312.38)	(684.26)	(87.09)	(597.17)	(488.79)	(108.38)	(71.01)	(37.37)	41.50
Deferred Tax Liabilities										
Depreciation and related items	277.66	(97.50)	375.16	(54.36)	429.52	121.57	307.95	33.83	274.12	(40.04)
Net Deferred Tax Assets / (Liabilities)	**(718.98)**	**(409.88)**	**(309.10)**	**(141.45)**	**(167.65)**	**(367.22)**	**199.57**	**(37.18)**	**236.75**	**1.46**

2.37 Related party disclosure in accordance with the Accounting Standard 18 "Related Party Disclosures"

Name of the related parties with whom the transactions have been made	For the year ended March, 31									
	2017		2016		2015		2014		2013	
	Description of relationship with party	Nature of Transaction	Description of relationship with party	Nature of Transaction	Description of relationship with party	Nature of Transaction	Description of relationship with party	Nature of Transaction	Description of relationship with party	Nature of Transaction
Sameer Nagpal	Ex-Managing Director	Remuneration	Managing Director	Remuneration	Managing Director	Remuneration	Managing Director	Remuneration	-	-
Ratan Jindal	Non-Executive Director	Sitting Fees	Non-Executive Director	Sitting Fees	-	-	-	-	-	-
Girish Sunder Jhunjhunwala	Non-Executive Director	Sitting Fees	Non-Executive Director	Sitting Fees	-	-	-	-	-	-
Surender Kumar	Managing Director & CEO	Remuneration	Executive Director	Remuneration	-	-	-	-	-	-
Sandeep Gupta	Chief Financial Officer	Remuneration								
Janak Raj Goyal	Ex- Chief Financial Officer	Remuneration								
Nitin Gupta	Company Secretary	Salary	Company Secretary	Salary	-	-	-	-	-	-
Bernadette Dominic	Ex- Company Secretary	Salary	Company Secretary	Salary	-	-	-	-	-	-
S.Sarda			-	-	Executive Director	Remuneration	Executive Director	Remuneration	Executive Director	Remuneration
Smt. Lata Sarda			-	-	-	-	Relative of ED	Rent etc.	Relative of ED	Rent etc.
Sonabheel Tea Ltd.			-	-	-	-	Company controlled by Directors	Sales	Company controlled by Directors	Sales
Jindal Steel & Power Ltd.	Company in which Directors and/or Relatives are interested	Sales	Company in which Directors and/or Relatives are interested	Sales	-	-	-	-	-	-
Jindal Saw Ltd.	Company in which Directorsand/or Relatives are interested	Sales	Company in which Directorsand/or Relatives are interested	Sales	-	-	-	-	-	-

Name of the related parties with whom the transactions have been made	For the year ended March, 31									
	2017		2016		2015		2014		2013	
	Description of Relationship with party	Nature of Transaction	Description of relationship with party	Nature of Transaction	Description of relationship with party	Nature of Transaction	Description of relationship with party	Nature of Transaction	Description of relationship with party	Nature of Transaction
JSW Energy Ltd.	Company in which Directors and/or Relatives are interested	Sales	Company in which Directors and/or Relatives are interested	Sales	-	-	-	-	-	-
JSW Steel Ltd.	Company in which Directors and/or Relatives are interested	Sales	Company in which Directors and/or Relatives are interested	Sales	-	-	-	-	-	-
Jindal Industries Pvt Ltd	Company in which Directors and/or Relatives are interested	Sales	Company in which Directors and/or Relatives are interested	Sales	-	-	-	-	-	-
Jindal Stainless Ltd.	Company in which Directors and/or Relatives are interested	Sales	Company in which Directors and/or Relatives are interested	Sales	Company controlled by Directors	Sales	Company controlled by Directors	Sales	Company controlled by Directors	Sales
Jindal Stainless Ltd.	Company in which Directors and/or Relatives are interested	Reimbursement of expenses incurred by related party	Company in which Directors and/or Relatives are interested	Reimbursement of expenses incurred by related party						
Jindal Stainless Consultancy	Company in which Directors and/or Relatives are interested	Payment of Rent & Maintenance								
O.P. Jindal Institute of Cancer	Company in which Directors and/or Relatives are interested	Sale of Fixed Assets			-	-	-	-	-	-

	Description	2016-17			2015-16			2014-15			2013-14				2012-13	
S.No	Nature of Transactions	Associates	Key Management Personnel	Enterprises controlled by Key Management Personnel & their relatives	Associates	Key Management Personnel	Enterprises controlled by Key Management Personnel & their relatives	Associates	Key Management Personnel	Enterprises controlled by Key Management Personnel & their relatives	Associates	Key Management Personnel	Enterprises controlled by Key Management Personnel & their relatives	Associates	Key Management Personnel	Enterprises controlled by Key Management Personnel & their relatives
I	**Sales of Finished Goods**															
	Sonabheel Tea Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.52
	Jindal Steel & Power Ltd.	-	-	1,467.41	-	-	1,445.61	-	-	-	-	-	-	-	-	-
	Jindal Saw Ltd.	-	-	1,710.99	-	-	83.78	-	-	-	-	-	-	-	-	-
	JSW Energy Ltd.	-	-	10.32	-	-	108.50	-	-	-	-	-	-	-	-	-
	JSW Steel Ltd.	-	-	417.31	-	-	238.51	-	-	-	-	-	-	-	-	-
	Jindal Industries Pvt Ltd	-	-	150.17	-	-	180.88	-	-	-	-	-	-	-	-	-
	Jindal Stainless Ltd.	-	-	145.70	-	-	-	-	-	73.99	-	-	8.23	-	-	6.51
II	**Sale of Fixed Assets**															
	O.P. Jindal Institute of Cancer	-	-	11.31	-	-	-	-	-	-	-	-	-	-	-	-
III	**Payment of Rent & Maintenance**															
	Jindal Stainless Consultancy	-	-	4.18	-	-	-	-	-	-	-	-	-	-	-	-
IV	**Expenses Reimbursed**															
	Jindal Stainless Ltd.	-	-	-	-	-	0.15	-	-	-	-	-	-	-	-	-
V	**Remuneration paid**															
	Sameer Nagpal	-	0.00	-	-	17.77	-	-	112.00	-	-	100.00	-	-	-	-
	Ratan Jindal	-	0.40	-	-	0.80	-	-	-	0.60	-	-	-	-	-	-
	Girish Sunder Jhunjhunwala	-	0.20	-	-	0.40	-	-	-	0.30	-	-	-	-	-	-
	Surender Kumar	-	82.35	-	-	70.77	-	-	-	-	-	-	-	-	-	-
	Nitin Gupta	-	7.11	-	-	2.63	-	-	-	-	-	-	-	-	-	-
	Sandeep Gupta	-	16.14	-	-	-	-	-	-	-	-	-	-	-	-	-

	Janak Raj Goyal	-	46.58	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bernadette Dominic	-	0.00	-	-	2.09	-	-	-	-	-	-	-	-	-	-
	S.Sarda	-	-	-	-	-	-	-	-	-	-	4.85	-	-	24.94	-
	Smt. Lata Sarda	-	-	-	-	-	-	-	-	-	-	-	-	-	7.20	-

II) Detail of Related Party Transactions During the Period

	Description	2016-17			2015-16			2014-15			2013-14			2012-13		
S.No	Nature of Transactions	Associates	Key Management Personnel	Enterprises controlled by Key Management Personnel & their relatives	Associates	Key Management Personnel	Enterprises controlled by Key Management Personnel & their relatives	Associates	Key Management Personnel	Enterprises controlled by Key Management Personnel & their relatives	Associates	Key Management Personnel	Enterprises controlled by Key Management Personnel & their relatives	Associates	Key Management Personnel	Enterprises controlled by Key Management Personnel & their relatives
Net Balances as on 31st March																
I	**Sales of Finished Goods**															
	Sonabheel Tea Ltd.	-	-		-	-	-	-	-	-	-	-	-	-	-	0.04
	Jindal Steel & Power Ltd.	-	-	646.23	-	-	515.30	-	-	-	-	-	-	-	-	-
	Jindal Saw Ltd.	-	-	212.73	-	-	21.98	-	-	-	-	-	-	-	-	-
	JSW Energy Ltd.	-	-	3.36	-	-	48.95	-	-	-	-	-	-	-	-	-
	JSW Steel Ltd.	-	-	97.07	-	-	27.61	-	-	-	-	-	-	-	-	-
	Jindal Industries Pvt Ltd	-	-	24.87	-	-	32.11	-	-	-	-	-	-	-	-	-
	Jindal Stainless Ltd.	-	-	39.82	-	-	-	-	-	26.96	-	-	19.44	-	-	22.60
II	**Sale of Fixed Assets**															
	O.P. Jindal Institute of Cancer	-	-	1.31	-	-	-	-	-	-	-	-	-	-	-	-
III	**Payment of Rent & Maintenance**															
	Jindal Stainless Consultancy	-	-	4.18	-	-	-	-	-	-	-	-	-	-	-	-
III	**Remuneration outstanding**															

	Sameer Nagpal	-	-	-	-	-	-	-	9.33	-	-	8.33	-	-	-	-
	Surender Kumar	-	5.59	-	-	-	-	-	-	-	-	-	-	-	-	-
	Nitin Gupta	-	0.59	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sandeep Gupta	-	5.11	-	-	-	-	-	-	-	-		-	-	-	-
	Janak Raj Goyal	-	-	-	-	-	-	-	-	-	-		-	-	-	-
	S.Sarda	-	-	-	-	-	-	-	-	-	-	-	-	-	1.82	-

2.38 Amount remitted in foreign currency **(Rs.in Lakhs)**

	Particulars	2017	2016	2015	2014	2013
(i)	Number of Non-resident shareholders	-	-	-	-	1
(ii)	Number of shares held by them	-	-	-	-	1,180,314
(iii)	Amount of dividend remitted (Rs. Lac)	-	-	-	-	118.03
(iv)	Year to which dividend relates	-	-	-	-	2011-12

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

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

2.40 Future minimum lease rentals receivable as at the year end (as per the lease agreements) (Rs in lakhs)

			For the year ended March, 31			
	Particulars	2017	2016	2015	2014	2013
i)	Not later than one year	-	-	3.25	11.90	28.35
ii)	Later than one year and not later than five years	-	-	8.15	0.07	12.48
	Total	**-**	**-**	**11.40**	**11.97**	**40.83**

2.41 Earning Per Share **(Rs in Lakhs)**

			For the year ended March, 31			
	Particulars	2017	2016	2015	2014	2013
(a)	Profit / (Loss) for the year, per statement of profit and loss (Rs. In Lakhs)	(741.27)	542.31	(1,160.22)	(195.40)	1,156.61
(b)	Weighted Avg No. of Equity Shares (Nos.)	18945975	18939717	18928100	18928100	18928100
(c)	Effect of potential Dilutive Equity shares Due Employee stock option outstanding (Nos.)	106650	152375	223196	223196	223196
(d)	Weighted Avg No of equity shares in computing diluted Earning per Share {(b)+(c)}	19052625	19092092	19151296	19151296	19151296
(e)	Earning per Share (in Rupees)					
	Basic	(3.91)	2.86	(6.13)	(1.03)	6.11
	Diluted	(3.91)	2.84	(6.13)	(1.03)	6.04

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

2.43 Employees' Benefits

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

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

(a) Defined Benefits Plans / Compensated absences - As per actuarial valuation

A) For Gratuity Funded

I Expense recognized in the statement of Profit and Loss **(Rs in Lakhs)**

	Particulars	For the year ended March, 31				
		2017	2016	2015	2014	2013
1	Current Service Cost	31.89	29.59	29.87	27.88	30.53
2	Interest on Cost	34.30	32.56	41.79	43.60	37.47
3	Employee Contribution	-	-	-	-	-
4	Expected Return on plan assets	(1.41)	(3.10)	(6.86)	(16.72)	(20.60)
5	Net Actuarial (Gain) / Losses	(44.84)	(0.87)	65.99	43.34	28.56
6	Past Service Cost	-	-	-	-	-
7	Settlement Cost	-	-	-	-	-
8	**Total Expenses**	**19.94**	**58.18**	**130.79**	**98.10**	**75.96**

II Net Assets / (Liability) recognized in the balance sheet. **(Rs in Lakhs)**

	Particulars	For the year ended March, 31				
		2017	2016	2015	2014	2013
1	Present Value of Defined Benefits of Obligation	439.04	436.95	420.06	464.32	484.47
2	Fair Value of plan assets	0.73	17.58	35.40	78.45	196.69
3	Funded status [Surplus/(Deficit)]	(438.31)	(419.37)	(384.66)	(385.87)	(287.78)
4	Net Assets/(Liability)	(438.31)	(419.37)	(384.66)	(385.87)	(287.78)

III Change in Obligation during the Year ended **(Rs in Lakhs)**

	Particulars	For the year ended March, 31				
		2017	2016	2015	2014	2013
1	Present Value of Defined Benefit Obligation at beginning of the Year	436.95	420.06	464.32	484.47	454.16
2	Current Service Cost	31.89	29.59	29.87	27.88	30.53
3	Interest Cost	34.30	32.55	41.79	43.60	37.47
4	Settlement Cost	-	-	-	-	-
5	Past Service Cost	-	-	-	-	-
6	Employee Contributions	-	-	-	-	-
7	Plan Amendments	-	-	-	-	-
8	Actuarial (Gain)/ Losses	(46.25)	(1.64)	(69.04)	38.62	22.32
9	Benefits Payments	(17.85)	(43.61)	(46.88)	(130.25)	(60.01)
	Present value of Defined Benefits Obligation at the end of year	**439.04**	**436.95**	**420.06**	**464.32**	**484.47**

IVChange in Assets during the Year **(Rs in Lakhs)**

	Particulars	For the year ended March, 31				
		2017	2016	2015	2014	2013
1	Plan assets at the beginning of the year	17.58	35.39	78.45	196.69	242.35
2	Plan assets acquired on amalgamation in Previous Year	-	-	-	-	-
3	Settlements	-	-	-	-	-
4	Expected return on plan assets	1.41	3.10	6.86	16.72	20.60
5	Contributions by employer	1.00	23.47	-	-	-
6	Actual benefits paid	(17.85)	(43.61)	(46.88)	(130.25)	(60.01)
7	Actual Gains/ (Losses)	(1.41)	(0.77)	(3.04)	(4.71)	(6.25)
8	Actual return on Plan assets	-	-	-	-	-
	Plan assets at the end of the year	**0.73**	**17.58**	**35.39**	**78.45**	**196.69**

VActuarial Assumptions:

	Particulars	For the year ended March, 31				
		2017	2016	2015	2014	2013
1	Discount Rate	7.30%	7.85%	7.75%	9.00%	8.25%
2	Rate of increase in salaries	2.00%	2.00%	3.00%	4.00%	4.50%
3	Rate of return on Plan Assets :	N.A	N.A	N.A	N.A	N.A
	1) Leave Encashment 2) Gratuity	8.00%	8.00%	8.75%	8.75%	8.50%
4	Mortality	As per IALM (2006-2008) Ultimate.	As per IALM (2006-2008) Ultimate.	As per IALM (2006-2008) Ultimate.	As per IALM (2006-2008) Ultimate.	LIC 94-96 Ultimate
5	Withdrawal rate	2%p.a	2%p.a	2%p.a	2%p.a	2%p.a

B) Leave Encashment Non funded

I Expense recognized in the statement of Profit and Loss (Rs in Lakhs)

	Particulars	For the year ended March, 31				
		2017	2016	2015	2014	2013
1	Current Service Cost	11.02	13.42	15.75	1.96	1.83
2	Interest on Cost	4.49	5.32	9.26	11.38	9.83
3	Employee Contribution	-	-	-	-	-
4	Expected Return on plan assets	-	-	-	-	-
5	Net Actuarial (Gain) / Losses	4.08	1.98	6.37	36.33	38.79
6	Past Service Cost	-	-	-	-	-
7	Settlement Cost	-	-	-	-	-
	Total Expenses	**19.59**	**20.72**	**31.38**	**49.67**	**50.45**

II Net Assets / (Liability) recognized in the balance sheet. (Rs in Lakhs)

	Particulars	For the year ended March, 31				
		2017	2016	2015	2014	2013
1	Present Value of Defined Benefits of Obligation	65.46	57.17	68.71	102.85	126.42
2	Fair Value of plan assets	-	-	-	-	-
3	Funded status [Surplus/(Deficit)]	(65.46)	(57.17)	(68.71)	(102.85)	(126.42)
4	Net Assets/(Liability)	(65.46)	(57.17)	(68.71)	(102.85)	(126.42)

III Change in Obligation during the Year ended (Rs in Lakhs)

	Particulars	For the year ended March, 31				
		2017	2016	2015	2014	2013
1	Present Value of Defined Benefit at Obligation beginning of the Year	57.17	68.71	102.85	126.42	119.13
2	Current Service Cost	11.02	13.42	15.75	1.96	1.83
3	Interest Cost	4.49	5.32	9.26	11.38	9.83
4	Settlement Cost	-	-	-	-	-
5	Past Service Cost	-	-	-	-	-
6	Employee Contributions	-	-	-	-	-
7	Plan Amendments	-	-	-	-	-
8	Actuarial (Gain)/ Losses	4.08	1.98	6.37	36.33	38.79
9	Benefits Payments	(11.30)	(32.26)	(65.52)	(73.24)	(43.16)
	Present value of Defined Benefits Obligation at the end of year	**65.46**	**57.17**	**68.71**	**102.85**	**126.42**

IV Change in Assets during the Year **(Rs in Lakhs)**

	Particulars	For the year ended March, 31				
		2017	2016	2015	2014	2013
1	Plan assets at the beginning of the year	-	-	-	-	-
2	Plan assets acquired on amalgamation in Previous Year	-	-	-	-	-
3	Settlements	-	-	-	-	-
4	Expected return on plan assets	-	-	-	-	-
5	Contributions by employer	11.30	32.26	65.52	73.24	43.16
6	Actual benefits paid	(11.30)	(32.26)	(65.52)	(73.24)	(43.16)
7	Actual Gains/ (Losses)	-	-	6.37	-	-
8	Actual return on Plan assets	-	-	-	-	-
9	Plan assets at the end of the year	-	-	-	-	-

V Actuarial Assumptions:

	Particulars	For the year ended March, 31				
		2017	2016	2015	2014	2013
1	Discount Rate	7.30%	7.85%	7.75%	9.00%	8.25%
2	Rate of increase in salaries	2.00%	2.00%	3.00%	4.00%	4.50%
3	Rate of return on Plan Assets :	N.A	N.A	N.A	8.75%	8.50%
	1) Leave Encashment 2) Gratuity	8.00%	8.00%	8.75%		
4	Mortality	As per IALM (2006-2008) Ultimate.	As per IALM (2006-2008) Ultimate.	As per IALM (2006-2008) Ultimate.	As per IALM (2006-2008) Ultimate.	LIC 94-96 Ultimate
5	Withdrawal rate	2%p.a	2%	2%	2%	2%

2.44 Disclose of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016

	SBNs	Other denomination notes	Total
Closing cash in hand as on 8-11-2016	1.30	10.49	11.79
(+) Permitted receipts	6.27	24.40	30.67
(-) Permitted payments	(0.00)	(27.25)	(27.25)
(-) *Amount deposited in Banks	(7.57)	(0.00)	(7.57)
Closing cash in hand as on 30-12-2016	0.00	7.64	7.64

*Amount deposited includes, being the SBN deposited directly by the third parties in the Company's bank accounts, and the said third party deposits are shown as 'Permitted receipts"

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

2.46 There has been a major fire break out on Nov 19, 2016 at Nasik Factory of the Company resulting in substantial damage of stocks, plant & machineries and factory building. Intimation of fire has been given to insurer, and claim settlement is under process. The policy is on Reinstatement basis, and Loss of profit for 6 months. Estimated insurance claim receivable on book value of Rs 2004.18 lakh has been accounted for.

The insurance claim of loss for damage of building & inventories due to fire in Howrah Plant is yet to be assessed by the Insurer. The estimated insurance claim receivable of Rs 1474.81 Lakhs have been accounted for in the books. Fixed assets and inventories, except the said damaged assets, have been verified & valued as per applicable accounting standards as well as existing accounting policies of the Company, with no material discrepancy.

2.47 Term Loan (Others) represent loan availed by company for working capital for business needs.

2.48 The Division Bench of Hon'ble High Court of Calcutta passed an order on 07/05/2009 requiring the Company to give immovable property to the extent of Rs. 4.5 Crores as a security in favour of Tara Properties (the landlord of property at 13, Camac Street, Kolkata). The Company has given portion of the land at Goaberia as a security.

2.49 Pursuant to the Scheme of Merger of Woodlands Medical Centre Limited with Woodlands Multispecialty Hospital Ltd , as approved by the Calcutta High Court on 29/11/2010, the Company, on application made, is entitled to get 2350 shares of Rs 10 each fully paid up in Woodlands Multispecialty Hospital Ltd against debenture of Rs 23,500 held in Woodlands Medical Centre Limited.

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

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

(Rs. in Lakhs)

	Particulars	2017		2016		2015		2014		2013	
		SANL	ESPCPL	SANL	ESPCPL	SANL	ESPCPL	SANL	ESPCPL	SANL	ESPCPL
a)	Capital (paid up)	59.50	5.00	59.50	5.00	59.50	5.00	59.50	5.00	59.50	1.00
b)	Reserves	(17.11)	NIL	(2.21)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c)	Total Assets	727.18	5.14	721.20	5.16	559.50	5.37	559.33	5.21	558.97	1.02
d)	Total Liabilities	727.18	5.14	721.20	5.16	559.50	5.37	559.33	5.21	499.47	0.02
e)	Detail of Investment (except in case of investment in the subsidiaries)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f)	Turnover	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g)	Profit before Taxation	(20.75)	NIL	(3.20)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h)	Provision for Taxation	5.85	NIL	0.99	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i)	Profit after Taxation	(14.90)	NIL	(2.21)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Since there is no business activities by the ESPCPL, no turnover, tax and profit have been reported during the year as well as in the previous year.

2.52 The Company has written off doubtful debts (included under the head Miscellaneous expenses in Note 2.28) outstanding for more than three years as at the year end. the said write off amounting to Rs 99.17 Lakhs in 2012-13 and Rs.137.83 in 2013-14 were made on review of doubtful debts on case to case basis.

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

2.54 Miscellaneous Receipts include debtors/creditors written back.

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

2.56 The Company operates mainly in one primary business segment i.e. Paints; accordingly sales & stock in trade represent paints. There is no geographical segment.

2.57 Exceptional item for the year ended 31st March, 2013 represents restructuring cost incurred during that year.

2.58 Previous year's figures have been regrouped / rearranged, wherever necessary to make them comparable.

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

Anup Kumar Dubey

Partner
M. No. 054975

For and on behalf of the Board

Sandeep Gupta

Chief Financial Officer

Surender Kumar
Managing Director &
CEO
DIN: 00510137

Nitin Gupta
Company Secretary
M. No. F8485

Annexure VI – Restated Consolidated Summary Statement on the Adjustments to Audited Financial Statements

(A) NOTES ON RECOCIALATION OF RESTATED PROFIT

Particulars		For the year ended March, 31			
	2017	2016	2015	2014	2013
Net profit/(Loss) as per audited financial statements	(674.62)	525.31	(1,058.40)	(279.51)	1,101.81
Adjustments to net profit/(loss) as per audited financial statements					
a) Adjustments on account of change in accounting estimate					
- Depreciation & Amortisation (Refer Note No.1)	-	-	-	(10.31)	(53.79)
b) Bad debts (Refer Note No.2)	(40.00)	40.00	-	137.83	99.17
c). Sundry Liabilities written back (Refer Note No.3)	(63.45)	(67.49)	(42.68)	(0.07)	35.75
d) Restatement of Taxes					
- Tax Adjustments					-
- Deferred tax on restatements (Refer Note No.4)	36.79	44.49	(59.18)	(43.33)	(26.33)
Net Profit as per Restated Standalone Financial Statements after Adjustments	(741.28)	542.31	(1,160.26)	(195.39)	1,156.61

(B) Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years.

Adjustments having impact on Profit

1. **Depreciation –** Depreciation is charged based on useful life of assets as per Schedule II of Companies Act 2013 made applicable from accounting year Ist April,2014, which was hitherto charged as per rates prescribed in Schedule XIV of the Companies Act 1956. On the restated financials, effect of depreciation on assets whose life has elapsed has been adjusted in the year to which the depreciation pertains. Transitional impact on opening i.e. 1st April, 2012 has been adjusted in retained earnings.

2. **Bad Debts Written off –** Bad Debts written off during the year ended March 31, 2013, March 31, 2014, March 31, 2015 and March 31, 2016 have been adjusted in the year when bad debts was originally incurred. Accordingly, adjustments have been made to the Summary Statement of Profit & Losses, as restated for respective years.

3. **Sundry Liabilities Written Back** – In the financial statements for the years ended March 31, 2016, 2015, 2014, 2013 and 2012, certain liabilities are written back as the same is no longer required. For the purpose of Summary of Financial Statements, as restated, such provision no longer required have been appropriately adjusted in the respective years

4. **Deferred Tax on Restatement –** Deferred Tax has been calculated taking into account timing differences arising in one period and capable of reversal in another accounting period and so profit for the periods under restatement have been adjusted accordingly taking into account deferred tax profit /loss.

(C) Reconciliation of Profit & Loss Account as on April 1, 2012

Particulars	As at 1st April 2012
Surplus in the statement of Profit & Loss as audited	**967.50**
Depreciation & Amortisation	(47.52)
Provision for doubtful debts	-
Bad debts	(237.00)
Liabilities Written back	137.94
Prior Period Expenses	-
Income Tax Adjustments	30.97
Deffer Tax on restatement adjusted I retained earning	47.56
Surplus in the Statement of Profit & Loss as restated	**899.46**

Annexure VII - Restated Consolidated Summary Statement of Accounting Ratios

			For the year ended March, 31			
	Particulars	**2017**	**2016**	**2015**	**2014**	**2013**
A	**Financial Stability Ratio**					
1	Current Ratio (CA/CL)	1.53	1.60	1.61	1.71	1.63
2	Debt to Equity Ratio (Total Debt/Equity)	2.50	2.14	2.19	1.55	1.23
B	**Performance & Efficiency Ratios**					
1	Return on Equity (PAT/Equity)	(0.13)	0.08	(0.20)	(0.03)	0.16
2	Debtors Turnover Ratio (Gross Sales/Average Debtors)	3.08	3.05	3.08	3.43	3.89
3	Average Collection Period (in Days)	118.40	120.19	118.69	106.34	93.87
4	Inventory Turnover	4.07	4.17	4.25	4.26	4.74
5	Inventory Holding period (in days)	89.78	87.70	85.85	85.68	77.08
6	Creditors Turnover	1.54	1.68	1.94	2.19	2.43
7	Average Payables Period (in days)	236.71	217.31	187.73	167.03	150.42

Annexure VIII – Restated Consolidated Summary Statement of Capitalization

	For the year ended March, 31				
Particulars	**2017**	**2016**	**2015**	**2014**	**2013**
Borrowings:					
Long term borrowings	3,362.96	4,303.46	1,995.66	1,346.14	707.56
Short-term borrowings	10,768.51	9,402.18	10,985.00	9,649.70	8,104.63
Total (A)	14,131.47	13,705.64	12,980.66	10,995.84	8,812.19
Shareholders' funds:					
Equity share capital	378.93	378.93	378.57	378.57	378.57
Reserves and surplus	5,271.94	6,012.12	5,551.26	6,710.81	6,796.09
Total (B)	5,650.87	6,391.05	5,929.83	7,089.38	7,174.66
Debt / Equity ratio (A) / (B)	2.50	2.14	2.19	1.55	1.23

CERTAIN OTHER FINANCIAL INFORMATION (WORKING RESULTS)

Unaudited standalone working results of our Company for the period from April 01, 2017 to April 30, 2017:

Particulars	Amount (₹ in Lakhs)
Sales	3048.94
Other income	4.88
Estimated Gross Profit (excluding Depreciation)	(315.81)
Provision for Depreciation	31.55
Provision for taxation	0.00
Estimated Net Profit	(347.36)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Consolidated Financial Statements beginning on page 141, prepared in accordance with the Companies Act, Indian GAAP and the SEBI Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in the section "**Financial Statements**" beginning on page 103. Unless otherwise stated, the financial information used in this section is derived from the Restated Consolidated Financial Statements.*

The degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices.

*This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section "**Risk Factors**" on page 7.*

In this section, unless the context otherwise requires, a reference to "we", "us", "our" or "the Company" is a reference to our Company.

Our Fiscal ends on March 31 of each year. Accordingly, all references to a particular Fiscal are to the 12 months ended March 31 of that year.

OVERVIEW OF THE BUSINESS

We are engaged in the business of manufacturing and marketing of paints. The paint industry is classified in two broad categories - Decorative and Industrial. For our company, the Decorative segment consists of 66% of total turnover while industrial segment contributes 34% in FY 2016-2017.

We believe in the idea of sustainable future through environmentally products and practices.

- **Decorative Paints** – Decorative paints are generally used for painting of domestic, office and other buildings mainly for enhancement of aesthetic look & protection. Our Company manufactures and markets wide range of decorative paints for interior and exterior surfaces – concrete, plaster, metal or wood etc., We have created established brand like Weather Pro, Xtra Tough premier, Shaktiman exterior emulsion specially designed for exterior surfaces. We have wide range of interior emulsions brand like Signature luxury emulsion, Stay Clean interior emulsion, Superlac Advance, No 1 Silk and Master interior emulsion & NO.1 Distemper. Shalimar enjoys established brand in solvent based product range like Superlac Hi–Gloss synthetic enamel, Superlac satin enamel, lustre finish. Our Company's range of water based paints come with no added lead or mercury and with near zero VOC.
- **Industrial Paints** – Shalimar manufactures and markets industrial coatings to cater Protective coating sector, Product Finish (OEM,GENERAL INDUSTRIAL SECTOR), Range of marine paints including antifouling paints Packaging coatings for metal decoration including food can lacquers are established products running successfully in different coating lines for years. Industrial paints can again be classified into Heavy duty protective Coating, GI coating, Packaging Coating and Marine coatings and primarily used for protect the structure from deterioration through corrosion and then beatification. Shalimar is actively involved in providing solution through their expert team to mitigate corrosion by recommending the appropriate coating systems

Manufacturing facilities & Supply Chain: We have at present running manufacturing facilities at Sikandrabad (UP). We are in the process of re-commissioning Greenfield manufacturing facility at Gummidipoondi Tamil Nadu Plant. This new Greenfield facility is expected to be ramped up in second half of 2017-18.

Our Company has two other manufacturing facilities at Nasik and Howrah. There was a fire incident in the Howrah Plant on 12th March, 2014 and the plant is under suspension since then. We plan to resume operations of resin, aluminum and packaging units, which were not affected by fire, at Howrah Plant in the current financial year for which

we are in the process of obtaining approvals from respective authorities. The Nasik Plant caught fire on 19th November, 2016 and the paint plant is not in operation since then. Before the fire broke out, the average production at the Nasik Plant was around 1400KL per month. However, we have restarted resin, aluminum and packaging unit which were not affected by fire in Nasik Plant in April, 2017. The output from these units is around 150KL per month.

Key Clients and Projects Executed:

In Decorative paint segment -Painting of various prestigious buildings like AIIMS, Palaces of Nepal & Bhutan, etc, various private residential and commercial buildings, religious institutions, educational institutions, Airports, Railway stations, Sugar Mills and many more. Shalimar has uninterrupted track record of painting of Howrah Bridge since 1948-49.

In industrial paint segment - major customers include NTPC, JSW Energy Ltd, Jindal Saw, Jindal Steel and Power, Jindal Stainless Steel, Tata Projects, Essar Projects, FL Smith etc , Hindustan Tin, Tata Mettaliks, Tata Iron.

Manufacturing facilities:

- **Howrah Plant**

Located at P.O. Danesh Shaikh Lane, Howrah, West Bengal. Howrah Plant is the Oldest Plant of our Company and it as first Commissioned in 1902. It was acquired by the current promoters in 1989. There was a fire incident in the Howrah Plant on 12th March, 2014 and the operations has been suspended since then. Our Company plans to restart Resin, Aluminum and packaging units at Howrah Plant in the current financial year which were not affected by fire. We are in the process of obtaining approvals from respective authorities.

- **Nasik Plant**

Located at Village – Gonde Dumala, Tehsil: Igatpuri, Nasik. Plant came into operation in 1992 and has capacity of 23,400 KLPA. At this unit, the sales proportion of our Company generally comprised of 40% decorative and 60% of Industrial paints. The Plant caught Fire on 19th November, 2016 and the paint plant is not in operation since then. Before the fire broke out the average production at the Unit was around 1400 KL/ month. In order to maintain its market share and retain the customers, our Company is outsourcing some of its products from third party manufacturers. All the quality control standards are adhered to the outsourcing unit by our Company. Our Company has restarted Resin, Aluminum and packaging unit at Nasik in April 2017 which is not affected by fire which is around 150 KL per month.

- **Sikandrabad Plant**

Acquired in 2002. This plant is located at No.A-1 and A-2 Sikandrabad Industrial Area, Bulandshehar, Uttar Pradesh. It has an installed capacity of 21,600 KLPA, which is running at 90% utilization.

- **Gummidipoondi Tamil Nadu Plant**

Located at Chinnapuliyar Village, Thiruvallur, and is a Greenfield Project of our Company. The plant was decommissioned in April 2015 due to technical reasons. The re-commissioning of the plant is at advanced stage and the ramp up of the operations are likely to start in the second half of FY 2017-18. The capacity of the plant is 18,000 KLPA.

As per the restated audited consolidated financial statements for the Fiscal 2017, 2016 and 2015, our Company has generated total income of Rs. 37,014.29 Lakhs, Rs. 40,367.81 Lakhs and Rs. 43,458.46 Lakhs respectively and net profit after extra-ordinary items of Rs. (1,151.15) Lakhs, Rs. 400.86 Lakhs, and Rs. (1,527.44) Lakhs respectively. Over the last three fiscal years, our Company's total income has decreased leading to the decline in CAGR of negative 8%

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2017 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

To the knowledge of our Company and except as disclosed herein, since the date of the last financial statements contained in this Prospectus, no other circumstances have arisen which would materially and adversely affect or which would be likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 (twelve) months.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

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

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

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

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

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

Our Company will enhance capacity in phases taking advantage of its multiple locations all over India, introduce new products, strengthen servicing capabilities and bolster logistics, distribution and storage capability.

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

Our Company is poised to grow in the Decorative as well as Industrial segment. Our 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.

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

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

Further, as the growth of Paint Industry is aligned with the growth of economy, any sluggish economic growth may adversely impact the business of our Company. Similarly, depreciating rupee may also impact the profitability of our company.

RESTATED SIGNFICANT ACCOUNTING POLICIES

1. Basis of Preparation

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

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

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

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

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

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

2. General

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

3. Fixed Assets

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

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

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

4. Lease Accounting

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

5. Depreciation

Depreciation on fixed assets in previous year as well as in current year is provided at the rates and in the manner specified in Schedule II of the Companies Act, 2013 and in respect of assets added/disposed off during the year on pro-rata basis with reference to the date of its use / disposal/residual value:

a) In respect of assets located at Nasik and Sikandrabad - on straight line method

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

6. Investments

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

7. Foreign Currency Transactions

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

8. Inventory

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

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

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

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

9. Sales

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

10. Retirement Benefits To Employees

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

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

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

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

11. Borrowing Cost

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

12. Taxes on Income

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

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

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

13. Voluntary Retirement Scheme

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

14. Employee Stock Option Scheme

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

15. Contingent Liabilities

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

SNIPPET ON RESULTS OF OPERATIONS

The following table sets forth a summary of our consolidated statement of profits and losses, as restated, by amount and as a percentage of our total revenue during the periods indicated. Our historical results presented below are not necessarily indicative of the results that may be expected for any other future period.

(Rs. In Lakhs)

Particulars	Fiscal 2017	Percentage of total revenue (%)	Fiscal 2016	Percentage of total revenue (%)	Fiscal 2015	Percentage of total revenue (%)	Fiscal 2014	Percentage of total revenue (%)
Revenue:								
Revenue from Operations	41,360.08	-	45,262.26	-	48,324.82	-	53,958.89	-
Less : Excise Duty	4,433.07	-	4,968.93	-	4,997.90	-	5,677.00	-
Revenue from Operations(Net)	36,927.01	99.76	40,293.33	99.82	43,326.92	99.70	48,281.89	98.68
Other Income	87.28	0.24	74.48	0.18	131.54	0.30	648.21	1.32
Total Revenue	**37,014.29**	**100.00**	**40,367.81**	**100.00**	**43,458.46**	**100.00**	**48,930.10**	**100.00**
Expenses:								
Cost of materials consumed	19,056.67	51.48	23,541.61	58.32	26,783.53	61.63	31,591.30	64.56
Purchases of Stock-in-trade	4,204.23	11.36	3,222.61	7.98	3,170.77	7.30	3,624.06	7.41
Changes in inventories of finished goods, work-in-progress and Stock-in-trade	1,098.58	2.97	-481.80	-1.19	758.03	1.74	-45.81	-0.09
Employee benefits expense	3,478.52	9.40	3,464.98	8.58	3,669.79	8.44	3,821.42	7.81

Finance Costs	2,257.13	6.10	2,215.13	5.49	2,065.18	4.75	2,097.48	4.29
Depreciation and amortization expense	424.58	1.15	504.34	1.25	475.76	1.09	378.03	0.77
Other expense	7,645.73	20.66	7,500.08	18.58	8,062.84	18.55	7,696.20	15.73
Total Expenses	**38,165.44**	**103.11**	**39,966.95**	**99.01**	**44,985.90**	**103.51**	**49,162.68**	**100.48**
Restated Profit before exceptional and extraordinary items and tax	**-1,151.15**	**-3.11**	**400.86**	**0.99**	**-1,527.44**	**-3.51**	**-232.58**	**-0.48**
Exceptional Items		0	0		0		0	
Restated Profit before extraordinary items and tax	**-1,151.15**	**-3.11**	**400.86**	**0.99**	**-1,527.44**	**-3.51**	**-232.58**	**-0.48**
Extraordinary items	0		0		0		0	
Restated Profit before tax	**-1,151.15**	**-3.11**	**400.86**	**0.99**	**-1,527.44**	**-3.51**	**-232.58**	**-0.48**
Tax expense:								
(1) Current Tax	-	-	-	-	-	-	0	
(2) Deferred Tax (Assets)/Liabilities	-409.88	-1.11	-141.45	-0.35	-367.22	-0.84	-37.18	-0.08
Total Tax Expenses	-409.88	-1.11	-141.45	-0.35	-367.22	-0.84	-37.18	-0.08
Restated Profit / (Loss) for the period	**-741.27**	**-2.00**	**542.31**	**1.34**	**-1,160.22**	**-2.67**	**-195.40**	**-0.40**
Restated Profit/(Loss) from discontinuing operations	-	-	-	-	-	-		
Tax expense of discontinuing operations	-	-	-	-	-	-		
Restated Profit/(Loss) from Discontinuing operations (after tax)	-	-	-	-	-	-		
Restated Profit/(Loss) for the period	**-741.27**	**-2.00**	**542.31**	**1.34**	**-1,160.22**	**-2.67**	**-195.40**	**-0.40**

Fiscal 2017 compared to Fiscal 2016

Revenues

Our Revenue from Operations reduced by Rs.3902.18 Lakhs, or 8.62%, to Rs.41360.08 Lakhs in Fiscal 2017 from Rs.45262.26 Lakhs in Fiscal 2016, mainly due to unfortunate fire incident at our Nasik plant in November 2016.

Revenue from operations (net)

Our revenue from operations (net) reduced by Rs.3,366.32 Lakhs, or 8.35%, to Rs.36,927.01 Lakhs in Fiscal 2017 from Rs. 40,293.33 Lakhs in Fiscal 2016, mainly due to unfortunate fire incident at our Nasik plant in November 2016.

Other income

Our other income increased by Rs.12.80 Lakhs, or 17.19%, to Rs.87.28 Lakhs in Fiscal 2017 from Rs.74.48 Lakhs in Fiscal 2016, primarily due to an increase in Miscellaneous Receipts toRs.76.58 Lakhs in Fiscal 2017 from Rs. 62.64 Lakhs in Fiscal 2016.

Expenses

Cost of materials consumed

Our cost of raw materials consumed reduced by Rs.4,484.94 Lakhs, or 19.05%, to Rs.19,056.67 Lakhs in Fiscal 2017 from Rs.23,541.61 Lakhs in Fiscal 2016, primarily due to non-operation of Nasik Plant since November 2016 & lower sales.

Purchases of stock-in-trade

Our purchases of stock-in-trade increased by Rs. 981.62 Lakhs, or 30.46%, to Rs. 4,204.23 Lakhs in Fiscal 2017 from Rs. 3,222.61 Lakhs in Fiscal 2016, primarily due to decrease in production at Nasik plant and purchase of products from third party.

Changes in inventory of finished goods and work-in-progress

The inventories of finished goods and work-in-progress increased by Rs. 1580.38 Lakhs to Rs. 1,098.58 Lakhs in Fiscal 2017 as compared to Rs.(481.80) Lakhs in Fiscal 2016.

Employee benefits expense

Employee benefits expense increased by Rs. 13.54 Lakhs, or 0.39 %, to Rs. 3,478.52 Lakhs in Fiscal 2017 from Rs. 3,464.98 Lakhs in Fiscal 2016, primarily due to increase in salaries and wages to Rs. 3,108.07 Lakhs in Fiscal 2017 from Rs.3,061.91 Lakhs in Fiscal 2016.This increase was primarily due to annual increments in salaries and wages & optimization of manpower

Other expenses

Other expenses increased by Rs.145.65 Lakhs, or 1.94%, to Rs. 7,645.73 Lakhs in Fiscal 2017 from Rs.7,500.08 Lakhs in Fiscal2016, primarily due to: (i) increase in Miscellaneous Expenses to Rs. 819.20 Lakhs in Fiscal 2017 from Rs. 610.01 Lakhs in Fiscal 2016,and (ii) increase in Repairs to Rs. 183.40 Lakhs in Fiscal 2017 from Rs. 145.28Lakhs in Fiscal 2016 (iii) decrease in application charges to Rs. 49.11 Lakhs in Fiscal 2017 from Rs. 164.07 Lakhs in Fiscal 2016

Depreciation and amortization expense

Our depreciation and amortization expense reduced by Rs. 79.76 Lakhs, or 15.81%, to Rs. 424.58 Lakhs in Fiscal 2017 from Rs. 504.34 Lakhs in Fiscal 2016, primarily due to fixed assets burnt in fire at our Nasik plant.

Finance cost

Our finance costs increased by Rs. 42 Lakhs, or 1.90%, to Rs. 2,257.13 Lakhs in Fiscal 2017 from Rs. 2,215.13 Lakhs in Fiscal2016, primarily due to an increase in our other borrowing cost to Rs. 302.67 Lakhs in Fiscal 2017 from Rs. 266.22 Lakhs in Fiscal2016.

Tax expense

Our total tax expenses for Fiscal 2017 was Rs. (409.88) Lakhs as compared to Rs. (141.45) Lakhs in Fiscal 2016, primarily due to increase in deferred tax assets on account of losses during the year.

Restated profit for the year

For the reasons discussed above, our net profit after tax reduced to Rs. (741.27) Lakhs in Fiscal 2017 from Rs.542.31 Lakhs in Fiscal 2016.

Fiscal 2016 compared to Fiscal 2015

Revenues

Our revenue from operations reduced by Rs. 3,062.56 Lakhs, or 6.34%, to Rs. 45,262.26Lakhsin Fiscal 2016 from Rs. 48,324.82 Lakhs in Fiscal 2015, primarily due to a decrease in revenues from sales of our products during this period on account of subdued demand from construction and industrial sector.

Revenue from operations (net)

Our revenue from operations (net) reduced by Rs. 3,033.59 Lakhs, or 7.00%, to Rs. 40,293.33 Lakhs in Fiscal 2016 from Rs43,326.92 Lakhs in Fiscal 2015, primarily on account of subdued demand from construction and industrial sector.

Other income

Our other income reduced by Rs. 57.06Lakhs, or 43.38%, to Rs. 74.48 Lakhs in Fiscal 2016 from Rs. 131.54 Lakhs in Fiscal 2015, primarily due to a decrease in Profit on Sale of Fixed Assets to Rs. 4.03 Lakhs in Fiscal 2016 from Rs. 127.06 Lakhs in Fiscal 2015.

Expenses

Cost of materials consumed

Our cost of raw materials consumed reduced by Rs. 3,241.92 Lakhs, or 12.10%, to Rs. 23,541.61 Lakhs in Fiscal 2016 from Rs. 26,783.53 Lakhs in Fiscal 2015, due to lower sales volume on account of subdued demand.

Purchases of stock-in-trade

Our purchases of stock-in-trade increased by Rs. 51.84 Lakhs, to Rs. 3,222.61 Lakhs in Fiscal 2016 from Rs. 3,170.77 Lakhs in Fiscal 2015, due to purchase of products from third party suppliers/manufacturers.

Changes in inventories of finished goods and work-in-progress

Our changes in inventories of finished goods and work-in-progress and stood at Rs. (481.80) Lakhs in Fiscal 2016 as compared to Rs. 758.03 Lakhs in Fiscal 2015. This was primarily due to higher level of closing stock at end of Fiscal 2016 as compared to Fiscal 2015.

Employee benefit expense

Employee benefits expense reduced by Rs. 204.81Lakhs, or 5.58%, to Rs. 3,464.98 Lakhs in Fiscal 2016 from Rs. 3,669.79 Lakhs in Fiscal 2015, primarily due to optimization of man power.

Other expenses

Other expenses reduced by Rs. 562.76 Lakhs, or 6.98%, to Rs. 7,500.08Lakhs in Fiscal 2016 from Rs. 8,062.84Lakhs in Fiscal 2015, primarily due to: (i) decrease in Freight to Rs. 2,796.20 Lakhs in Fiscal 2016 from Rs. 3,234.78 Lakhs in Fiscal 2015, (ii) decrease in Miscellaneous Expenses to Rs. 610.01 Lakhs in Fiscal 2016 from Rs. 651.32 Lakhs in Fiscal 2015, and (iii) decrease in Application Charges to Rs. 164.07 Lakhs in Fiscal 2016 from Rs. 249.06 Lakhs in Fiscal 2015.

Depreciation and amortization expenses

Our depreciation and amortization expense increased by Rs.28.58 Lakhs, or 6.01%, to Rs. 504.34 Lakhs in Fiscal 2016 fromRs. 475.76 Lakhs in Fiscal 2015, primarily on account of purchase of certain fixed assets.

Finance cost

Our finance costs increased by Rs. 149.95 Lakhs, or 7.26 %, to Rs. 2,215.13 Lakhs in Fiscal 2016 from Rs. 2,065.18 Lakhs in Fiscal2015, primarily due to an increase in interest expense to Rs.1,932.54 Lakhs in Fiscal 2016 from Rs. 1,795.42 Lakhs in Fiscal 2015.

Tax expense

Our total tax expenses for Fiscal 2016 was Rs. (141.45) Lakhs as compared to Rs. (367.22) Lakhs in Fiscal 2015.

Restated profit for the year

For the reasons discussed above, our net profit after tax increased to Rs. 542.31 Lakhs in Fiscal 2016 from Rs. (1,160.22) Lakhs in Fiscal 2015.

Fiscal 2015 compared to Fiscal 2014

Revenues

Our revenue from operations reduced by Rs. 5634.07 Lakhs, or 10.44%, to Rs. 48324.82 Lakhs in Fiscal 2015 from Rs. 53958.89 Lakhs in Fiscal 2014, primarily due to unfortunate fire incident at Howrah plant in March 2014 resulting in loss of production capacity.

Revenue from operations (net)

Our revenue from operations (net) reduced by Rs. 4954.97 Lakhs, or 10.26%, to Rs. 43,326.92 Lakhs in Fiscal 2015 from Rs. 48,281.89 Lakhs in Fiscal 2014, primarily due to unfortunate fire incident at Howrah plant in March 2014 resulting in loss of production capacity.

Other income

Our other income reduced by Rs. 516.67Lakhs, or 79.71%, to Rs. 131.54Lakhs in Fiscal 2015 from Rs. 648.21Lakhs in Fiscal 2014, primarilydue to a decrease in Profit on Sale of Fixed Assets to Rs. 127.06 Lakhs in Fiscal 2015 from Rs. 575.21 Lakhs in Fiscal 2014.

Expenses

Cost of materials consumed

Our cost of raw materials consumed reduced by Rs. 4,807.77Lakhs, or 15.22%, to Rs. 26,783.53 Lakhs in Fiscal 2015 from Rs. 31,591.30 Lakhs in Fiscal 2014, primarily due to a decrease in production due to fire at Howrah Plant & lower Sales.

Purchases of stock-in-trade

Our purchases of stock-in-trade reduced by Rs. 453.29Lakhs, , to Rs. 3,170.77 Lakhs in Fiscal 2015 from Rs. 3,624.06 Lakhs in Fiscal 2014.

Changes in inventories of finished goods and work-in-progress

Our changes in inventories of finished goods and work-in-progress stood at Rs. 758.03 Lakhs in Fiscal 2015 as compared to Rs. (45.81) Lakhs in Fiscal 2014. This was primarily due to decrease in closing stock at end of Fiscal 2015 as compared to Fiscal 2014.

Employee benefit expense

Employee benefits expense reduced by Rs. 151.63 Lakhs, or 3.97%, to Rs. 3,669.79 Lakhs in Fiscal 2015 from Rs. 3,821.42 Lakhs in Fiscal 2014, primarily due to optimization manpower due to fire at Howrah plant.

Other expenses

Other expenses increased by Rs. 366.64Lakhs, or 4.76%, to Rs. 8,062.84Lakhs in Fiscal 2015 from Rs. 7,696.20Lakhs in Fiscal 2014, primarily due to: (i) increase in Freight to Rs. 3234.78 Lakhs in Fiscal 2015 from Rs. 2739.18 Lakhs in Fiscal 2014, (ii) increase in MiscellaneousExpenses to Rs. 651.32 Lakhs in Fiscal 2015 from Rs. 414.60 Lakhs in Fiscal 2014 (iii) decrease in power & fuel expendses to Rs. 228.10 Lakhs in Fiscal 2015 from Rs. 433.47 Lakhs in Fiscal 2014 (iv) decrease in C&F charges to Rs. 150.28 Lakhs in Fiscal 2015 from Rs. 205.09 Lakhs in Fiscal 2014

Depreciation and amortization expenses

Our depreciation and amortization expense increased by Rs. 97.73Lakhs, or 25.85%, to Rs. 475.76 Lakhs in Fiscal 2015 from Rs. 378.03Lakhs in Fiscal 2014, primarily due to change in revised method of deprecation as per revised Companies Act 2013.

Finance cost

Our finance costs decreased by Rs. 32.30 Lakhs, or 1.54%, to Rs. 2,065.18 Lakhs in Fiscal 2015 from Rs. 2,097.48 Lakhs in Fiscal 2014.

Tax expense

Our total tax expenses for Fiscal 2015 was Rs. (367.22) Lakhs as compared to Rs. (37.18) Lakhs in Fiscal 2014.

Restated profit for the year

For the reasons discussed above, our net profit after tax increased by Rs. (964.82) Lakhs, or (493.77%), to Rs. (1,160.22) Lakhs in Fiscal 2015 from Rs. (195.40) Lakhs in Fiscal 2014.

Liquidity and Capital Resources

Historically, we have maintained liquidity for our business operations primarily from the cash generated from operations, bank borrowings and issuance of shareholders equity. As of Fiscal 2017, we had Cash and Cash equivalents available for use in our operations Rs.1,201.80 Lakhs (including margin money). We believe that after taking into account the expected cash to be generated from our business and operations and the proceeds from proposed rights issue, we will have sufficient working capital for our requirements and anticipated requirements for capital expenditures and other cash requirements for 12 months following the date of this Draft letter of Offer.

Cash flows

The table below summarizes our cash flows from our Restated Consolidated Financial Information of cash flows for the Fiscals 2017, 2016 and 2015:

(Rs. In Lac's)

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015
Net Cash Generated from Operating Activities	3,029.33	3,087.54	2,399.71
Net Cash used in Investing Activity	(919.28)	(822.77)	(2,687.82)
Net Cash used in Financing Activities	(1,810.95)	(1,459.90)	(60.87)
Net Increase in Cash and Cash Equivalents	**299.10**	**804.87**	**(349.98)**
Opening Balance of Cash and Cash Equivalents	**902.70**	**97.83**	**446.81**
Closing Balance of Cash and Cash Equivalents	**1,201.80**	**902.70**	**97.83**

Operating Activities

In fiscal 2017, our net cash generated from operating activities was Rs. 3,029.33 Lakhs, primarily consisting of an operating profit of Rs. 1,541.00 Lakhs before working capital changes. The working capital adjustments primarily consisted of an increase in trade and other receivables and a decrease in inventories and increase in trade payables and other liabilities during the fiscal year

In fiscal 2016, our net cash generated from operating activities was Rs. 3,087.54Lakhs, primarily consisting of an operating profit of Rs. 3,129.25 Lakhs before working capital changes. The working capital adjustments primarily consisted of an increase in inventories and a decrease in trade and other receivables, trade payables and other liabilities during the fiscal year.

In fiscal 2015, our net cash generated from operating activities was Rs. 2,399.71 Lakhs, primarily consisting of an operating profit of Rs. 899.04 Lakhs before working capital changes. The working capital adjustments primarily consisted of a decrease in trade payables and other liabilities and a decrease in inventories, trade and other receivables during the fiscal year.

Investing Activities

In fiscal 2017, our net cash used in investing activities was Rs. (919.28) Lakhs, primarily on account of purchase of fixed assets of Rs. (1001.55) Lakhs

In fiscal 2016, our net cash used in investing activities was Rs. (822.77) Lakhs, primarily on account of purchase of fixed assets of Rs. (838.21) Lakhs in relation to capital expenditure.

In fiscal 2015, our net cash used in investing activities was Rs. (2,687.82) Lakhs, primarily on account of purchase of fixed assets of Rs. (2830.56) Lakhs in relation to capital expenditure.

Financing Activities

In fiscal 2017, our net cash used in financing activities was Rs. (1,810.95) Lakhs, primarily on account of interest cost of Rs. (2,236.78) Lakhs during this period.

In fiscal 2016, our net cash used in financing activities Rs. (1,459.90) Lakhs, primarily on account of interest cost of Rs. (2,197.08) Lakhs during this period.

In fiscal 2015, our net cash used in financing activities Rs. (60.87) Lakhs, primarily on account of interest cost of Rs. (2,045.69) Lakhs during this period & proceeds from Borrowings Rs. 1,984.82 Lakhs.

Borrowings

As on March 31, 2017, we had long term borrowings of Rs.2,367.07 Lakhs and short term borrowings Rs. 10,768.51 Lakhs.

Related Party Transactions

Related party transactions with certain of our promoters and directors primarily relate to remuneration payable, sales of finished goods, sale of fixed assets, and issue of equity shares. For further details of such related parties under AS 18, see **"Financial Statements"** beginning on page 103.

Contractual Obligations and Commitments

The following table sets forth certain information relating to future payments due under known contractual obligations and commitments as of March 31, 2017.

(Rs. In Lac's)

Particulars	Fiscal 2017
Commitments:	
(i) Estimated amount of capital commitments, net of advance	542.67
(ii) Uncalled Liability on Partly paid up shares	40.50
Total	**583.17**

Contingent liabilities and other off-balance sheet arrangements

The following table sets forth certain information relating to our contingent liabilities as of March 31, 2017:

(Rs. In Lac's)

S.No	Particulars	Fiscal 2017
	Contingent Liabilities:	
(i)	Excise Duty	391.86
(ii)	Bank Guarantee	882.06
(iii)	Sales Tax	772.97
(iv)	Claims against the Company not acknowledged as debt (to the extent ascertained)	183.32
(v)	Income Tax	62.73
	Total	**2,292.94**

For further information, see our Restated Consolidated Financial Statements on page 141.

Except as disclosed in our Restated Consolidated Financial Statements or this prospectus, there are no off-balance sheetarrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Capital Expenditures

Our capital expenditures were, and we expect our future capital expenditures to be, primarily for processing operations. In Fiscals 2015, 2016 and 2017, our capital expenditure was Rs. 2,830.56 Lakhs, Rs. 838.21 Lakhs and Rs. 1,001.55 Lakhs, respectively.

Changes in Accounting Policies

There has been no change in our accounting policies in the last five years.

Quantitative and Qualitative Disclosure about Market Risk

Raw material pricing risk

We are exposed to market risk in relation to the prices of raw materials consumed in our business. The paint sector is raw material intensive, with over 300 raw-materials (50% petro-based derivatives) involved in the manufacturing process. Since most of the raw materials are petroleum based, the industry is sensitive to crude oil prices. Any rise in crude oil price may hurt our margin as crude oil derivatives account for majority of input cost.

Interest Rate Risk

Our Company may be subject to market risk due to fluctuations in interest rates. As on date of the Prospectus the existing loans have floating interest ratewhich can increase in the near future. Increases in interest rates will increase the cost of present and new borrowings and could have a material adverse effect on the financial position.

Liquidity risk

Liquidity risk arises from the absence of liquid resources, when funding loans, and repaying borrowings. This could be due to a decline in the expected collection, or our inability to raise adequate resources at an appropriate price. This

risk may be minimized through a mix of strategies, including the maintenance of back up bank credit lines and following a forward looking borrowing program based on projected loans and maturing obligations.

Unusual or infrequent events or transactions
Except as described in this Draft letter of Offer, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Significant economic changes that materially affected or are likely to affect income from continuing operations

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in **"Factors affecting our results of operations"** and the uncertainties described in the section titled **"Risk Factors"** on pages 179 and 7, respectively.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the sections titled **"Risk Factors"** and **"Management's Discussion and Analysis of Financial Condition and Results of Operations"** in this Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income from continuing operations.

Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in the sections titled **"Risk Factors"** and **"Management's Discussion and Analysis of Financial Condition and Results of Operations"**in this Prospectus,there are no known factors that might affect the future relationship between cost and revenue.

Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

Changes in revenue in the last three Fiscals are as explained in the part "Fiscal 2017 compared to Fiscal 2016", "Fiscal 2016 compared to Fiscal 2015" and "Fiscal 2015 compared to Fiscal 2014".

Total turnover of each major industry segment in which the Company operates

Our business is limited to a single reportable segment.

Publicly announced new products or business segments

Other than as disclosed in this section, in **"Our Business"** on page 58, there are no new products or business segments thathave or are expected to have a material impact on our business prospects, results of operations or financial condition.

Seasonality of business

Our business operations may be affected by seasonal trends.Generally, we witness an increase in sales of our productsduring Holi season, Diwali season or other festive seasons and it generally decline during the monsoon season.

Significant dependence on single or few customers

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers.

Competitive conditions

We operate in a competitive environment. Please refer to the sections **"Our Business"**, **"Industry Overview"** and **"Risk Factors"**on pages 58, 52 and 7, respectively for further information on our industry and competition.

FINANCIAL INDEBTNESS

Set forth below is a brief summary of our significant credit facilities as on **May 31, 2017**

(Rs. in lakhs)

Name of the Lender	Nature of the Loan	Amount Sanctioned	Amount availed	Date of Agreement / Sanction letter	Rate Of Interest	Terms of Repayment
TERM LOAN						
HDFC Bank Limited	Secured	1200.00	301.20	15/12/2015	10.95%	11 quarterly installment. Starting from 29.11.2015 & Ending on 29.05.2018
State Bank of India	Secured	1200.00	584.00	17/03/2016	11.30%	28 monthly installment. Starting from 30.04.2016 & Ending on 31.07.2018
Religare Finvest Limited	Secured	1925.00	1838.36	29/01/2016	13.00%	117 monthly installment. Starting from 01.08.2016 & Ending on 01.04.2026
Indiabulls Housing Finance Limited	Secured	500.00	449.80	29/02/2016	13.50%	84 monthly installment. Starting from 05.05.2016 & Ending on 05.04.2023
FUND BASED						
State Bank of India	Secured	6000.00	5811.29	17/03/2016	11.10%	Annually
HDFC Bank Limited	Secured	2200.00	2044.38	15/12/2015	11.15%	Annually
Corporation Bank	Secured	850.00	830.37	30/03/2017	13.45%	Annually
Punjab National Bank	Secured	1200.00	1956.71*	02/03/2017	12.00%	Annually
IndusInd Bank	Secured	750.00	718.84	24/09/2013	11.55%	Annually
NON FUND BASED						
State Bank of India	Secured	4750.00	4348.81	17/03/2016	--	Annually
HDFC Bank Limited	Secured	600.00	558.93	15/12/2015	--	Annually
Punjab National Bank	Secured	1800.00	429.38	02/03/2017	--	Annually
Corporation Bank	Secured	850.00	647.63	30/03/2017	--	Annually
IndusInd Bank	Secured	1500.00	0.00	24/09/2013	--	Annually

*The account is overdrawn on account of LC Bill Payment.

Set forth below is a brief summary of our significant outstanding unsecured as on **May 31, 2017**

(Rs. in lakhs)

Name of the Lender	Nature of the Loan	Amount Sanctioned	Amount availed	Date of Agreement / Sanction letter	Rate Of Interest	Terms of Repayment
BILL DISCOUNTING						
Axis Bank Limited	Unsecured loan	3000.00	2952.41*	29/02/2016	10.75%	Annually
Hind Strategic Investments	Unsecured loan	USD 800,000	513.34	28/04/2017	6M LIBOR+ 300 bps	At maturity (5 years)
JSL Limited	Unsecured loan	500.00	--	01/06/2017	11.00%	Payable on demand- 180 days prior notice

*Includes overdue of Rs.86.48 Lakhs.

STOCK MARKET DATA

The Equity shares of our Company are presently listed and traded on BSE and NSE. The equity shares are frequently traded at BSE and NSE. The share trading data for the equity shares of our Company is as under:

Stock Market Data for BSE

The closing market price of the equity shares of our Company on the first business day after the Board approved the Issue i.e. on April 07, 2017 was ₹ 186.60 per equity share on the BSE.

The high and low closing prices and associated volumes of securities traded during last 3 years recorded on BSE is as follows:

Calendar Year	High (₹)	Date of High	Volume on date of high (no. of shares)	Low (₹)	Date of Low	Volume on date of low (no. of shares)	Weighted Average Price (₹)
2016	223.60	23/08/2016	3,12,672	88.70	12/02/2016	41,498	170.62
2015	172.90	15/01/2015	17,916	94.10	08/09/2015	5,856	144.33
2014	190.45	10/10/2014	6,07,067	68.00	04/02/2014*	6,991	137.93

*The date on which higher number of shares were traded is considered.

The high and low price, and associated volume of securities traded during the last 6 months on BSE is as follows:

Period	High (₹)	Date of High	Volume on date of high (no. of shares)	Low (₹)	Date of Low	Volume on date of low (no. of shares)	Weighted Average Price (₹)
May 2017	320.30	17/05/2017	3,17,512	207.60	02/05/2017	31,917	274.00
April 2017	232.40	20/04/2017	4,45,696	167.05	03/04/2017	78,503	202.72
March 2017	174.40	29/03/2017	4,23,392	143.00	08/03/2017	2,682	162.06
February 2017	160.90	10/02/2017	27,520	143.00	16/02/2017	53,916	151.07
January 2017	171.00	24/01/2017	9,634	142.00	02/01/2017	16,472	160.59
December 2016	159.50	01/12/2016	11,302	129.65	27/12/2016	3,747	145.01

Latest Stock Market Data for the preceding four weeks from the date of filing of Draft Letter of Offer with SEBI:

Week Starting From	Week ending on	High		Low		Week's Closing Price (in ₹)	Total Traded quantity during the period
		Amount (in ₹)	Date	Amount (in ₹)	Date		
19/06/2017	23/06/2017	271.90	23/06/2017	246.05	20/06/2017	264.90	38,154
12/06/2017	16/06/2017	271.30	12/06/2017*	255.05	14/06/2017	262.75	54,471
05/06/2017	09/06/2017	263.00	06/06/2017	242.15	09/06/2017	258.40	43,847
29/05/2017	02/06/2017	279.00	29/05/2017	238.55	02/06/2017	241.25	1,14,748

*The date on which higher number of shares were traded is considered.

Stock Market Data for NSE

The closing market price of the equity shares of our Company on the first business day after the Board approved the Issue i.e. on April 07, 2017 was ₹ 186.45 per equity share on the NSE.

The high and low prices and associated volumes of securities traded during last 3 years recorded on NSE is as follows:

Calendar Year	High (₹)	Date of High	Volume on date of high (no. of shares)	Low (₹)	Date of Low	Volume on date of low (no. of shares)	Weighted Average Price (₹)
2016	223.50	23/08/2016	10,30,150	88.70	12/02/2016	88,103	174.09
2015	173.90	15/01/2015	96,228	95.10	08/09/2015	14,153	144.67
2014	190.45	10/10/	16,77,002	66.75	06/02/2014	7,456	135.52

The high and low price, and associated volume of securities traded during the last 6 months on NSE is as follows:

Period	High (₹)	Date of High	Volume on date of high (no. of shares)	Low (₹)	Date of Low	Volume on date of low (no. of shares)	Weighted Average Price (₹)
May 2017	320.60	17/05/2017	10,09,639	207.40	02/05/2017	1,32,175	271.67
April 2017	232.40	20/04/2017	17,60,685	165.30	03/04/2017	4,15,648	202.62
March 2017	174.80	29/03/2017	18,83,327	140.00	03/03/2017	56,645	161.74
February 2017	160.25	10/02/2017	1,04,593	141.00	13/02/2017	91,779	151.36
January 2017	168.25	11/01/2017	1,62,289	142.50	02/01/2017	1,07,787	160.46
December 2016	160.00	01/12/2016	66,222	129.00	27/12/2016	19,186	146.36

Latest Stock Market Data for the preceding four weeks from the date of filing of Draft Letter of Offer with Stock Exchange:

Week Starting From	Week ending on	High		Low		Week's Closing Price (in ₹)	Total Traded quantity during the period
		Amount (in ₹)	Date	Amount (in ₹)	Date		
19/06/2017	23/06/2017	272.00	22/06/2017	255.00	20/06/2017	263.95	95,539
12/06/2017	16/06/2017	274.00	13/06/2017	256.00	16/06/2017	263.60	1,53,786
05/06/2017	09/06/2017	261.75	09/06/2017	238.00	09/06/2017	259.50	1,25,578
29/05/2017	02/06/2017	279.00	29/05/2017	240.65	02/06/2017	243.95	4,28,270

Form the purpose of this chapter:

- Year is a calendar year
- Average price is the weighted average share price of the Equity Shares traded during the respective period
- High price is the maximum of the daily high prices and Low price is the minimum of the daily low prices of the Equity Shares of our Company for the year, or the month, as the case may be
- In case of two days with the same high / low / closing price, the date with higher volume has been considered
- Source: www.bseindia.com and www.nseindia.com

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigations including, suits, criminal or civil prosecutions and taxation related proceedings against our company, or our subsidiaries or our Promoters or our Directors whose outcome could have a material adverse effect on our operations and financial position. Further, except as stated in the Draft Letter of Offer, there are no defaults, non-payment of statutory dues including institutional / bank dues/ Fixed Deposits / Debentures that would have a material adverse effect on our business as of the date of the Draft Letter of Offer. Further, no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Directors and our Promoters. Except as disclosed below, we are not aware of any litigation involving moral turpitude, material violations of statutory regulations and or proceedings relating to economic offences which have arisen in the last ten years.

For the purpose of Outstanding Litigations involving our Company, Our Board of Directors has decided that where the amounts involved in such litigation exceeds one percent of our net worth as per audited consolidated financial statements for FY 2016-17 are to be considered material. Therefore all outstanding litigations involving our Company, where the amount involved is more than 56.50 Lakhs are considered material.

(Rs. In Lakhs)

SUMMARY OF OUTSTANDING LITIGATION INVOLVING OUR COMPANY

CASES PENDING AGAINST OUR COMPANY

S. no.	Category	Type of Cases	Total no of cases	Amount involved
1	Labour	Industrial Court/ Labour Court	28	199.56
2	Civil	Eviction/Re-Instatement	5	1.19
3	Appeals	Special Leave Petition	1	214.75
Total			**34**	**415.50**

CASES PREFERRED BY OUR COMPANY

S. no.	Category	Type of cases	Total no of cases	Amount involved
1	Civil Suit & Winding Up	Summary/Money/Recovery Suit	7	191.73
2	Criminal	Under Section 408/418/420 of IPC	21	27.97
		Under Section 156(3) of IPC	1	70.92
		Under Section 138 N.I Act	248	516.27
3	Appeals	Civil/Criminal/Labour	5	1,435.94
Total			**282**	**2,242.83**

LITIGATIONS, NOTICES & APPEALS PENDING BEFORE TAX AUTHORITIES

S. no.	Category	Type of cases	Total no of cases	Amount involved
1	Excise Cases	Appeals before High Court, CESTAT, Commissioner (Appeal), Assessing Authority	26	818.96
2	Income Tax Cases	Appeals/Rectification Applications before Commissioner/Deputy Commissioner	7	257.89
3	Central Sales Tax and VAT Cases	Appeals before Tribunal/Commissioner/ Joint Commissioner/Deputy Commissioner	36	5,518.26*
Total			**69**	**7,010.61**

*(Including liability on account of C/F/other forms) for which the management is of the opinion that these forms will be collected in due course, and no significant liability is expected in this respect.

LITIGATIONS AGAIANST OUR COMPANY

SPECIAL LEAVE PETITION FILED IN THE SUPREME COURT

Sl. No.	Parties in the Suit/Show Cause Notices	Case Number/ Court/ Authority	Brief facts of the Case	Amount Involved (Rs.)	Present Status
1	Kolkata Port Trust Vs Shalimar Paints Ltd	SLP No. 6649-50/2017 and SLP No. 6651-52/2017 Supreme Court of India	Our Company was in the possession of two Godowns bearing no. Js-4B & Js-4c in Kolkata, vide lease agreement dated 15/12/1953 executed with Kolkata Port Trust. ("KOPT"). KOPT issued eviction notice dated 14/02/1990 and initiated the eviction proceedings before the Estate Officer who passed an eviction order against us which was challenged unsuccessfully in Calcutta High Court. Before the Estate Officer KOPT Has submitted a calculation till 05/01/2012 of Rs. 2,14,75,585 towards mesne profit for claiming the arrear of rent payable by our Company. The order of the Estate Officer with respect to mesne profit for claiming the arrear of rent was challenged in the Calcutta High Court by our COmpany by filing two Civil revision applications bearing no. CO/1983/2012and CO/1984/2012. The Kolkata High Court vide its order dated 23/12/2015 held that Kolkata Port Trust ("KPT") can only claim amount only for 3 years i.e. 31/01/2005 to 31/01/2008. Being dissatisfied the said order KOPT filed review application before the High Court and that applications were also rejected by High Court vide its order dated 05/05/2016 and confirmed earlier order dated 23/12/2016 and further directed to Estate officer to adjudicate the claim for the period 31/01/2005 to 31/01/2008 only. Now, KOPT has filed two Special Leave Petitions in the Supreme Court and the Supreme Court has issued notice to our Company and the said SLPs are pending adjudication before the Supreme Court. The reply will be filed by the company in due course.	2,14,75,585 with interest till 05/01/2012	SLPs will be listed in the Supreme Court in due course.

LABOUR CASES

Sl. No.	Parties in the Suit/Show Cause Notices	Case Number/ Court/ Authority	Brief facts of the Case	Amount Involved (Rs.)	Present Status
1	Dashrath Singh Tanwade & Others Vs. Shalimar Paints & Others	C.C. No.20/2013 (11th Industrial Court, Mumbai)	That 5 workers including one Mr. Dashrath Laxman Tanwade raised industrial dispute in year 2001 for their permanency and for other statutory benefits. The court passed an order in year 2008, thereby directed to take them on rolls of the company. Shalimar Paints as per the court order made them permanent employees. However, workers later filed a contempt petition in Industrial Court alleging that Shalimar Paints has not given them benefits of the permanent employees. The court has issued notice to the higher officials of the company including Mr. Jhunjhunwala. The summoning order passed against Mr. Jhunjhunwala which was challenged in Bombay High Court by filing Section-482 petition. However, High Court vide its order dated 05/04/2016 disposed of the petition and directed Mr. Jhunjhunwala to file vakalatnama within three weeks from the date of order passed in High Court and raised the contentions at Industrial Court. However, Vakalatnama could not be filed in time and therefore, application was filed in the High Court, for granting extension of time to file vakalatnama. The said application is pending in the Bombay High Court.	61,50,000 (approx.)	The Industrial Court is awaiting the outcome of the extension application filed in Bombay High Court. The next date of hearing is 18/08/2017.

MATERIAL LEGAL CASES PREFERRED BY OUR COMPANY

CIVIL CASES

Sl. No.	Parties in the Suit/Show Cause Notices	Case Number/ Court/ Authority	Brief facts of the case	Amount Involved (Rs.)	Present Status
1	Shalimar Paints Vs. Vadraj Cement Limited (formerly known as ABG Cement Limited)	National Company Law Tribunal, Bombay/ No. L/839/2016	Our Company supplied various paint products to Vadraj Cement Ltd. time to time. Vadraj Cement failed to pay the outstanding amount. The Company therefore, filed a winding up petition u/s 433(e) 434 and 439 of the Companies Act in NCLT, Mumbai for recovery of outstanding amount against Vadraj Cement.	54,40,988	After the establishment of NCLT the matter has been transferred to NCLT, Bombay which will be listed in due course.
2	Shalimar Paints Vs. ERA Infra Engineering Limited	Patiala House Courts, New Delhi/ Civil Case No. 44/2017	Our Company supplied various paints products to Era Infra Engineering Ltd. ERA failed to pay the outstanding amount therefore, the Company filed the summary suit for recovery of the outstanding amount against ERA Infa Engineering.	73,55,537	The matter is listed for 17/08/2017 for appearance of defendant company and filing of written statement.

CRIMINAL CASES

Sl. No.	Parties in the Suit/Show Cause Notices	Case Number/ Court/ Authority	Brief facts of the case	Amount Involved (Rs.)	Present Status
1	Shalimar Paints Vs. TechPro & Others	Dwarka District Court, New Delhi/ CC No. 2991/2017	The Company supplied various paint products to Tech Pro which failed to pay the outstanding amount. The Company therefore, filed a complaint case u/s 156(3) and Section 200 of Cr.P.C. for cheating and forgery committed by Tech Pro with the Company.	70,92,325	The matter is listed for 17/07/2017 for pre-summoning evidence of the complainant.

APPEALS FILED IN THE CITY CIVIL COURT, HIGH COURT & SUPREME COURT

Sl. No.	Parties in the Suit/Show Cause Notices	Case Number/ Court/ Authority	Brief facts of the case	Amount Involved (Rs.)	Present Status
1	Shalimar Paints Ltd. Vs. National Textile Corporation (Sitaram Mills Ltd)	a) City Civil Court, Mumbai/ App. No. 1000065 of 2017 b) Supreme Court of India/ SLP (Civil) No.3172/2017	a) By a Leave & License Agreement dated 15/02/1968 the Company took on lease a premises in Mumbai. After National Textile Corporation ("NTC") took over Sitaram Mills Ltd., NTC issued vacation notice and filed petition for eviction and arrears of damages before the	2,18,15,619 plus interest @12% pa from 01/09/2009 till the date of payment	a) Civil Court case is listed for 17/07/2017 for reply/written statement of NTC. b) SLP will be listed in the

			Estate Officer. The Estate Officer passed an order of eviction and damages in favour of NTC. The order passed by the Estate Officer was challenged by the Company in Bombay High Court and the High court remanded back the matter to Estate Officer for fresh adjudication. The Estate Officer, in fresh proceedings passed an order of Rs. 2.68 towards arrears of rent and interest for the period 01/11/2002 to 27/08/2009 payable by the Company. The fresh order of the Estate Officer was challenged by the Company in City Civil Court, Mumbai and notice of the petition is issued to NTC and same is pending adjudication. b) The Jurisdiction of the Estate Officer has also been challenged in the Supreme Court of India and Supreme Court has issued notice to NTC on our petition and further directed NTC not to take any coercive steps till further orders.		Supreme Court in due course.
2	Shalimar Paints Ltd. Vs. Tara Properties Pvt. Ltd.	Kolkata High Court/ General Application no. 196/2010	Under Lease Deed dated 04/03/1963 the Company took on lease premises situated in Camac Street from Tara Properties Pvt. Ltd. on 21 year lease and said lease expired on 29/02/1984. The Landlord issued the vacation notice and filed eviction suit in Kolkata High Court. The High Court passed an order of Rs. 17 crores towards arrears of rent and also passed an order of vacation against the Company. The Company Challenged that order in Division Bench of the Kolkata High Court. The Division Bench, vide its order dated 07/05/2009 directed the Company to deposit an amount of Rs. 1.50 Crore with the Court and further directed to furnish Land situated as Howarah as security for another sum of Rs. 4.5 Crore	8,28,83,496 without interest	The matter will be listed in the High Court in due Course.

			and appointed Special Referee to adjudicate the arrears of rent afresh. We have complied with the said order. The Special Referee vide its order dated 18/11/2010 passed an order that an amount of Rs. 12,00,69,696 is payable by Shalimar Paints as arrears of rent. Further, special referee adjusted an amount of Rs. 3,71,86,200 paid by Shalimar Paints to Tara Properties during pendency of the proceedings and hold that an amount of Rs. 8,28,83,496 is payable by Shalimar Paints to Tara Properties. The order passed by the Special Referee is challenged in Kolkata High Court and same is pending adjudication before the court.		

EXCISE CASES

Sl. No.	Parties in the Suit/ Court/ Authority	Case Number/ Show Cause Notices	Brief facts of the Case	Amount Involved (Rs.)	Present Status
1.	Shalimar Paints Limited vs. Commissioner of Central Excise, Kolkata- II Commissionarate	Department has filed Appeal against Denovo order passed by the Commissioner of Central Excise, Kolkata- II Commissionarate before CESTAT and copy of appeal filed on 24/05/2016	Four show cause notices were issued by the department on 07/10/1993 relating to period 01/12/1991 to 31/08/1993; 01/09/1993 to 31/01/1993 and for February 1994. An Order in original passed by Commissioner No; 12-14/ Commr./CE/Kol-II/Adjn/2008-09 dated 19/06/2008 raising demand raised of Rs. 1,26,86,591. The department alleged manufacture of thinner with aid of power through pump whereas the company pleaded that taking out solvent is by gravitational force and not by power and hence exempt. The company filed application for condonation of delay for filing of Appeal against order in original before CESTAT in Form E.A.3 & E.A.5 on 12/01/2009 along with stay petition. CESTAT remanded back the matter for fresh adjudication with a pre-deposit of 25% of the total duty involved and the	1,26,86,591	Appeal pending before CESTAT

			company had deposited Rs.31,71,648. The demand of Rs.1,26,86,591 had been dropped Thereafter, the Department filed an Appeal against the order passed by the Commissioner of Central Excise, Kolkata-II Commissionarate before CESTAT. The company filed cross objection before the CESTAT. The matter is still pending.		
2	Shalimar Paints Limited vs. Commissioner Appeal – II	Order-in-Original No: 58-61/JC/CE/Kol-II/Adjn/2010-11 dated 30/09/2010	The department had issued show causes notices for the period April 2007 to March 2009 alleging that the company had cleared 97,58,591 Ltr of the goods under Excise after taking the benefit of deduction of average freight and transportation charges from Assessable Value. According to the department the value of the goods should be uniform but in our case, the value of goods is not uniform to all buyers. The department demanded payment of duty Rs. 45.79,539/- plus interest and penalty vide Order No: 58-61/JC/CE/Kol-II/Adjn/2010-11 dated 30/09/2010, The order was passed by the Joint Commissioner, Central Excise, Kol-II Commissionarate. The Company denied all the allegations and submitted suitable reply to show cause notices but department maintained the demand. The company filed an appeal on 03/10/2010. The matter is still pending.	91,59,078	Appeal pending before Commissioner (Appeal-II)
3.	Shalimar Paints Limited vs. CESTAT	Order-in-Original No: 26/COMMR./CE/KOL-II/2010-11 dated 31/03/2011 and Show cause cum demand notice was issued bearing No:V.Ch27,32&38(15)55/CE/Kol-II/Adjn/09/1434A dt 29/01/2010	Show cause cum demand notice No:V.Ch27,32&38(15)55/CE/Kol-II/Adjn/ 09/1434A dated 29/01/2010 was issued alleging that SPL had taken wrong CENVAT credit during the period from January 2005 to March 2008 to the tune of Rs.1,05,67,180. The point of dispute raised by the department was that input service credit on GTA and other services had been distributed by Head Office Kolkata to Howrah factory but	2,11,34,360 (Pre-deposit 10,56,718)	Main appeal pending before CESTAT

			Head office is not registered as input Service distributor. Hence, the company is not eligible to take Cenvat credit as per Rule 2(1) laid down in Cenvat credit Rules, 2004. Order-in-Original No:26/COMMR./CE/ KOL-II/2010-11 dated 31/03/2011 was passed confirming demand of Rs.1,05,67,180 with same amount of penalty. The Company filed appeal before CESTAT with stay petition. The CESTAT directed to pre deposit 10% on disputed amount. The Company deposited Rs.10,56,718. The matter is still pending.		
4.	Shalimar Paints Ltd vs. Commissioner of Central Excise (Appeal -1)	Order-in-Original : 14(DENOVO)COMMR/CE/KOL-II/Adjn/2015-16 Dated 11/02/2016	The facts of the case is the distribution of input service without ISD Registration resulting in disallowance of GTA claimed as input service. The disputed amount is Rs. 61,42,951 plus equal amount of penalty vide Order-in-Original : 14(DENOVO)COMMR/CE/KOL-II/Adjn/ 2015-16 Dated 11/02/2016 passed by Commissioner of Central Excise, Kolkata II Commissionerate. The Company applied on-line for inclusion of ISD service in Service Tax Registration and the registration had been amended in ST-2. The Company filed an Appeal before CESTAT against Order-in-original on 28/04/2016 with pre- deposit of Rs. 6,14,300 as per law. The matter is still pending.	1,22,85,902 (Pre-deposit 6,14,300)	Appeal pending before CESTAT

INCOME TAX CASES

Sl. No.	Parties in the Suit/ Court/ Authority	Case Number/ Show Cause Notices	Brief facts of the Case	Amount Involved (Rs.)	Present Status
1.	Shalimar Paints Ltd vs. CIT Appeal AY 2014-15	Order u/s 143(3) dated 30/12/2016	The Company filed its ITR 30/11/14. The authorities passed an Order dated 30/12/2016 u/s 143(3) of the Income Tax Act for Refund Rs. 1,56,58,940 and Disallowance of amount totaling to Rs.9157,622. The Department wrongly adjusted the aforesaid refund as reflected in their system (partly) for unpaid dues of tax & interest for which rectification application is being filed u/s 154. In respect of disallowances of Rs. 91,57,622 made in the Order, the Company preferred an appeal with CIT on 15/02/2017 for which hearing is awaited.	1,56,58,940 (Refund)	Hearing awaited for disallowances

VAT/SALES TAX CASES

S.No	Parties in the Suit/Show Cause Notices	Year/Case Number/ Court/ Authority	Nature of the Case	Amt (Rs.)	Present Status
1	Shalimar Paints Ltd. Vs Maharashtra State	2007-08/JC/LTU/MUMBAI/B-655/ Joint Commissioner/VAT	Disallowance of Input tax Credit set off, WCT Credit denial, Enhanced the turnover under WCT	2,08,37,522	Matter pending in appeal filed with Joint Commissioner of Sale Tax on date 5th Dec 2016
2	Shalimar Paints Ltd. Vs Maharashtra State	2007-08/JC/LTU/MUMBAI/B-655/Joint Commissioner/CST	Non Production of C & F Forms	10,34,54,599	Matter pending in appeal filed with Joint Commissioner of Sale Tax on date 5th Dec 2016
3	Shalimar Paints Ltd. Vs Maharashtra State	2008-09/ 791-792A/Tribunal/VAT	Ex-Party order passed by the assessing officer and RGR credit note disallowed	2,73,02,796	Matter pending in appeal filed with Joint Commissioner of Sale Tax on 19th June 2014
4	Shalimar Paints Ltd. Vs Maharashtra State	2009-10/791-792A/Tribunal/VAT	RGR credit note disallowed	7,41,42,514	Matter pending in appeal filed with Joint Commissioner of Sale Tax on 28th May 2014
5	Shalimar Paints Ltd. Vs Maharashtra State	2009-10/791-792A/Tribunal/CST	Non production of C Forms	2,75,70,921	Matter pending in appeal filed with Joint Commissioner of Sale Tax on 28th May 2014

6	Shalimar Paints Ltd. Vs Maharashtra State	2010-11/JC/LTU/MUMBAI/B-718/Tribunal/CST	Non Production of C, F & I Forms	6,34,39,341	Matter pending in appeal filed with Joint Commissioner of Sale Tax on 5th Dec 2016
7	Shalimar Paints Ltd. Vs Maharashtra State	2012-13/E-003/1617/9140680/CST	Non Production of C & F Forms	7,74,24,387	Appeal filed with Joint Commissioner of Sale Tax on 7th June 2017
8	Shalimar Paints Ltd. Vs West Bengal State	2004-05/ VAT	1) Non availibity of Bengal Forms and Export certificate 2) Escalation of Turnover	87,90,755	Matter pending in Taxation Tribunal
9	Shalimar Paints Ltd. Vs West Bengal State	2010-11/A-119/D/13-14/CST	1) Disallowance of Tax Credit 2) Pendency of C Forms	61,16,370	Appeal filed with Revision Board on 21st Oct 2014
10	Shalimar Paints Ltd. Vs West Bengal State	2011-12/:2518/15-16/CST and 2011-12/:2519/15-16/VAT	Non Availability of Forms C & F Forms	2,30,60,536	Matter pending in appeal filed with Revision Board on 7th Oct 2015
11	Shalimar Paints Ltd. Vs West Bengal State	2012-13/SA/2012-13/01/20/C/78 /CST	Non Availability of Forms C	86,53,522	Appeal filed with Additional Comissioner of Commercial Tax on 18th Oct 2016. SCN issued on 25th Nov 2016 for deposition of 15% of disputed amount. Further Appeal filed to high court for stay on 6th Dec 2016
12	Shalimar Paints Ltd. Vs West Bengal State	2013-14/CAU/20VA/113/High Court/VAT	1) Disallowance of ITC, enhanced turnover, sales return disallowed and mismatch of purchase and sales 2) Non Availability of F Forms 3) Mismatch in return	2,72,51,289	Appeal filed with Additional Comissioner of Commercial Tax on 25th Oct 2016 SCN issued on 22nd Nov 2016 for deposition of 15% of disputed amount. Further Appeal filed to high court for stay on 6th Dec 2016
13	Shalimar Paints Ltd. Vs West Bengal State	2013-14/CAU/20/CA/114/High Court/CST	Non Availability of Forms C & Custom Certificate	3,78,69,143	Matter pending in appeal filed with Additional Comissioner of Commercial Tax on 25th Oct 2016 SCN issued on 22nd Nov 2016 for deposition of 15% of disputed amount. Further Appeal filed to high court for stay on 6th Dec 2016

OUTSTANDING DUES TO CREDITORS

As at March 31, 2017, our Company has 41 material creditors with due amount of Rs. 56.50 lakhs and above based on the materiality policy of our Company as adopted by our Board.

OTHER DISCLOSURES

Except as disclosed above, our Promoter, Directors of our Promoter, Directors, and Subsidiary Companies are not declared as wilful defaulters by RBI/ government authorities and there are no violations of securities laws committed by them in the past or pending against them. Our Company, Promoter, Directors, and Subsidiariary Companies have not been prohibited from accessing the capital markets under any order or direction passed by SEBI and no penalty has been imposed at any time by any of the regulators in India or abroad. Further, except as above no regulatory action has been initiated / taken against our company, our Promoter by any regulatory bodies.

The individuals other than Mr. Ratan Jindal in promoter group hold negligible shareholding in our Company and they and the entities in which they have major shareholding and as well as group companies are not involved in the affairs of the Company. The group consists of large number of entities/companies. Therefore, for outstanding litigations we have provided information in regards to our Company, two promoters viz Mr. Ratan Jindal and M/s Hind Strategic Investments, our directors and our subsidiaries.

MATERIAL DEVELOPMENT AFTER THE DATE OF THE AUDITED FINANCIAL STATEMENTS AS ON MARCH 31, 2017

In the opinion of our Board, there have not arisen since the date of the last audited financial statements i.e. March 31, 2017 and except as disclosed in the summary financial statements as on March 31, 2017, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other statutory and regulatory agencies.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

We have obtained the following valid consents/ approvals /registrations /licenses for operation of our business:

Approvals pertaining to Incorporation, name and constitution of our Company

- Our Company was incorporated as Shalimar Paint Colour and Varnish Company Private Limited on December 16, 1902 under the Indian Companies Act, 1882 with the Registrar of Companies. The name of our Company was changed to Shalimar Paint and Varnish Company Ltd and fresh Certificate of Incorporation dated September 11, 1956 was issued by the Registrar of Companies, West Bengal. The name of our Company was once again changed to Shalimar Paints Limited and fresh Certificate of Incorporation dated September 18, 1963 was issued by the Registrar of Companies West Bengal.
- The Corporate Identification Number of our Company is L24222HR1902PLC065611.

I. We have obtained the following valid Licenses/ Approvals/ Registrations/ Consents for operation of our business:

A. Under Direct & Indirect Tax Laws:

Sl. No	Date of approval	Sanctioning Authority	License/Approval/ Registration number	Applicable law	Nature of approval	Valid up to
1	16/02/1902	Commissioner of Income Tax, West Bengal, Calcutta	AAECS0547D	Income Tax Act	Permanent Account Number	Not applicable
2		Commissioner of Income Tax, Mumbai	MUMS45123B	Income Tax Act	Tax Deduction & Collection Account Number	Not applicable
3		Commissioner of Income Tax, Nashik, Maharashtra	NSKS01835B	Income Tax Act	Tax Deduction & Collection Account Number	Not applicable
4		Income Tax Officer, Tax Deducted at Source, Sikanderabad	MRTS00666B	Income Tax Act, 1961	Tax Deduction Account Number	Not applicable
5	04/02/2005	Superintendent of Central Excise & Customs & Service Tax, Sikanderabad	AAEC0547DST001	Finance Tax Act, 1994	Service Tax Registration	Until cancelled
6	12/04/2013	Superintendent of Central Excise & Customs, Nashik, Mumbai	AAECS0547DSD023	Finance Tax Act, 1994	Service Tax Registration	Until cancelled
7		Superintendent of Central Excise & Customs & Service Tax, Howrah, West Bengal	AAECS0547DST003	Finance Tax Act, 1994	Service Tax Registration	Until cancelled

8	11/03/2013	Central Board of Excise & Customs, Lucknow, Uttar Pradesh	AAECS0547DSD007	Finance Tax Act, 1994	Service Tax Registration	Until cancelled
9	21/03/2013	Central Board of Excise & Customs, Ludhiana, Punjab	AAECS0547DSD018	Finance Tax Act, 1994	Service Tax Registration	Until cancelled
10	14/03/2013	Central Board of Excise & Customs, New Delhi	AAECS0547DSD013	Finance Tax Act, 1994	Service Tax Registration	Until cancelled
11	14/03/2013	Central Board of Excise & Customs, Parwanoo, Himachal Pradesh	AAECS0547DSD017	Finance Tax Act, 1994	Service Tax Registration	Until cancelled
12	13/03/2013	Central Board of Excise & Customs, Allahabad, Uttar Pradesh	AAECS0547DSD008	Finance Tax Act, 1994	Service Tax Registration	Until cancelled
13		Central Board of Excise & Customs, Delhi	AAECS0547DSD024	Finance Tax Act, 1994	Service Tax Registration	Until cancelled
14	19/03/2013	Central Board of Excise & Customs, Agra, Uttar Pradesh	AAECS0547DSD011	Finance Tax Act, 1994	Service Tax Registration	Until cancelled
15	15/03/2013	Central Board of Excise & Customs, Bhatinda, Punjab	AAECS0547DSD021	Finance Tax Act, 1994	Service Tax Registration	Until cancelled
16	22/03/2013	Central Board of Excise & Customs, Chandigarh	AAECS0547DSD016	Finance Tax Act, 1994	Service Tax Registration	Until cancelled
17	14/03/2013	Central Board of Excise & Customs, Connaught Place, New Delhi	AAECS0547DSD014	Finance Tax Act, 1994	Service Tax Registration	Until cancelled
18	20/03/2013	Central Board of Excise & Customs, Ghaziabad, Uttar Pradesh	AAECS0547DSD010	Finance Tax Act, 1994	Service Tax Registration	Until cancelled
19	13/03/2013	Central Board of Excise & Customs, Haldwani, Uttaranchal	AAECS0547DSD015	Finance Tax Act, 1994	Service Tax Registration	Until cancelled
20	15/03/2013	Central Board of Excise & Customs, Jaipur, Rajasthan	AAECS0547DSD022	Finance Tax Act, 1994	Service Tax Registration	Until cancelled
21	21/03/2013	Central Board of Excise & Customs, Jalandhar, Punjab	AAECS0547DSD019	Finance Tax Act, 1994	Service Tax Registration	Until cancelled
22	14/03/2013	Central Board of Excise & Customs, Jodhpur, Rajasthan	AAECS0547DSD006	Finance Tax Act, 1994	Service Tax Registration	Until cancelled
23	12/03/2013	Central Board of Excise & Customs, Kanpur, Uttar Pradesh	AAECS0547DSD009	Finance Tax Act, 1994	Service Tax Registration	Until cancelled

24	04/04/2016	Central Board of Excise & Customs, Gummidipoondi, Chennai	AAECS0547DSD025	Finance Tax Act, 1994	Service Tax Registration	Until cancelled
25	02/06/2014	Assistant Commercial Tax Officer, Vishakhapatnam, Andhra Pradesh	TIN : 37440118843 (Central)	The Central Sales Tax (Registration and Turnover) Rules, 1957	Certificate of Registration	Until cancelled
26	02/06/2014	Assistant Commercial Tax Officer, Vishakhapatnam, Andhra Pradesh	TIN : 37440118843	Andhra Pradesh Value Added Tax, 2005	Certificate of Registration	Until cancelled
27	02/06/2014	Assistant Commercial Tax Officer, Hyderabad, Telangana	TIN No.: 36440118843	Andhra Pradesh Value Added Tax, 2005	Certificate of Registration	Until cancelled
28	02/06/2014	Assistant Commercial Tax Officer, Hyderabad, Telangana	TIN No.: 36440118843	Central Sales Tax Act, 1956	Certificate of Registration	Until cancelled
29	01/05/2005	Assistant Commissioner Of Taxes, Guwahati	TIN : 18640027535	Assam Value Added Tax Rules, 2005	Certificate of Registration	Until cancelled
30	27/08/2002	Superintendent Central Excise, Patna	AAECSO547DXD014	Central Excise Rules, 2002	Certificate of Registration	Until cancelled
31	04/12/2013	Assistant / Deputy Commissioner of Central Excise, Bangalore	AAECS0547DED038	Central Excise Rules, 2002	Registration Certificate as dealer of Excisable Goods	Until Cancelled
32	30/12/2008	Assistant Commissioner Central Excise Division-I, Ludhiana	AAECS0547DXD027	Central Excise Rules, 2002	Registration Certificate	Until cancelled
33	22/03/2011	Deputy/ Assistant Commissioner Of Central Excise, Chennai	AAECS0547DEM030	Central Excise Rules, 2002	Certificate of Registration	Until cancelled
34	03/03/2015	Assistant Commissioner of Customs, Central Excise & Service Tax, Coimbatore	AAECS0547DEM048	Central Excise Rules, 2002	Certificate of Registration	Until cancelled

35	01/12/2017	Commercial Tax Department, Ahmedabad, Gujarat	TIN: 24575500065	Central Sales Tax (Registration And Turnover) Rules, 1957	Certificate of Registration	Until Cancelled
36	23/06/1990	Deputy Commissioner, Commercial Tax, Patna	TIN : 10010209105	Central Sales Tax Act, 1956	Certificate of Registration	Until cancelled
37	24/03/2009	Excise & Taxation Commissioner, Chandigarh	TIN : 04120010980	Central Sales Tax Act, 1956	Certificate of Registration for U.T. of Chandigarh	Until cancelled
38	31/01/1976	Assistant Commissioner Of Taxes, Guwahati	18029906342	Central Sales Tax, 1956	Certificate of Registration	Until cancelled
39	10/08/2015	Commercial Tax Officer, Raipur, Chattisgarh	TIN : 22771503592	Chhattisgarh Value Added Tax Act, 2005	Certificate Registration	Until cancelled
40	08/12/2016	Ministry of Science And Technology, Department of Scientific and Industrial Research, New Delhi	TU/IV-RD/537/2016	Customs/Excise Duty Exemption under Government Notification No. 24/2007	Renewal of Recognition of in-house R & D Unit	31/03/2019
41	20/10/2003	Sales Tax Officer, New Delhi	TIN – LC/001/07640026795/1051	Delhi Sales Tax Act, 1975 and Delhi Sales Tax Rules, 1975	Amended Certificate Of Registration	Until cancelled
42	01/12/2017	Commercial Tax Department, Ahmedabad, Gujarat	TIN: 24075500065	Gujarat Value Added Tax Act, 2003	Certificate of Registration	Until Cancelled
43	01/04/2003	Excise & Taxation Officer, Gurgaon	TIN : 06531920021	Haryana Value Added Tax Act, 2002	Registration Certificate	Until Cancelled
44	04/07/2003	Assessing Authority, Parwanoo, Distt. Solan, H.P.	TIN : 02020500664	Himachal Pradesh Value Added Tax Act, 2005	Registration Certificate	Until Cancelled
45	12/03/1986	Assessing Authority Sales Tax Circle, Jammu	1052219-E	Jammu & Kashmir General Sales Tax Act, 1962	Registration Certificate	Until cancelled
46	04/10/2006	Registering Authority, Commercial Tax Deptt., Ranchi	TIN : 20760400886	Jharkhand Value Added Tax	Certificate of Registration	Until cancelled

47	25/03/2014	Assistant Commissioner of Commercial Taxes, Bangalore	TIN : 29820139629	Karnataka Value Added Tax Act, 2003	Certificate of Registration	Until cancelled
48	17/02/2017	D.C.S.T., Cuttack –I East Circle, Orrisa	TIN : 21381202153	Odisha Value Added Tax Act, 2004	Registration Certificate	Until Cancelled
49	24/03/2009	Excise of Taxation Commissioner, Chandigarh	TIN(VRN) : 04120010980	Punjab Vat Act, 2005	Registration Certificate for U.T. of Chandigarh	Until cancelled
50	04/01/2005	Excise & Taxation Officer, Ludhiana	(VRN/TRN) : 03721058218	Punjab VAT Rules, 2005	Registration Certificate	Until cancelled
51	28/12/2016	Commissioner Of Commercial Tax, Jaipur	TIN: 08151601164	Rajasthan VAT Act, 2003	Registration Certificate	Until cancelled
52	25/07/2001	Deputy Commissioner, Commercial Tax, Patna	TIN : 10010209202	Section 5 of The Bihar Tax on Entry of Goods Into Local Area For Consumption, Use or Sale Therein Ordinance, 1993	Certificate of Registration	Until cancelled
53	10/01/2007	Assistant Commissioner, Commercial Taxes Deptt., Chennai	TIN : 33490100023	Tamil Nadu Value Added Tax Act, 2006	Certificate of Registration	Until cancelled
54	09/03/2001	Commercial Tax Officer, Esplanade-I, Assessment Circle, Madras	No. 10010	The Central Sales (Registration & Turnover) Rules, 1957	Certificate of Registration	Until cancelled
55	11/04/2005	Deputy Commissioner, Commercial Tax, Patna	TIN : 10010209008	Bihar Value Added Tax Ordinance, 2005	Certificate of Registration	Until cancelled
56	09/05/2000	Deputy/ Assistant Director, DGICCE, Chandigarh	ECC No. : 1902011060 new ECC No. AAECS0547DXD008	The Central Excise Rules, 2002	Allotment of New Excise Control Code	Until cancelled
57	03/12/2012	Assistant / Deputy Commissioner, Commercial Tax, Special Circle, Jharkhand	20760400886-101	The Central Sales (Registration & Turnover) Rules, 1957	Certificate of Registration	Until cancelled
58	01/04/2006	Sales Tax Officer, Nashik, Maharashtra	TIN No. : 27200386480C	The Central Sales (Registration & Turnover) Rules, 1957	Certificate of Registration	Until Cancelled

59	30/09/2014	Excise & Taxation Officer, Ludhiana, Distt.-2, Punjab	TIN : 03721058218	The Central Sales Tax (Registration & Turnover) Rules, 1956	Registration Certificate	Until cancelled
60	19/03/2012	Superintendent of Taxes, Govt. of Tripura, Agartala	TIN : 16021908211 (Central)	The Central Sales Tax (Registration & Turnover) Rules, 1957	Certificate of Registration	Until cancelled
61	01/05/1995	Joint Commissioner Commercial Taxes, West Bengal	1140(RW)C	The Central Sales Tax (Registration and Turnover) Rules, 1957	Certificate of Registration	Until cancelled
62	05/05/2011	Sales Tax Officer, Nashik, Maharashtra	TIN: 27200386480V	The Maharshtra Value Added Tax, 2002	Certificate of Registration	Until Cancelled
63	19/03/2012	Superintendent of Taxes, Govt. of Tripura, Agartala	TIN : 16021944179	Tripura Value Added Tax Act, 2004	Certificate of Registration	Until cancelled
64	16/04/2003	Deputy Commissioner, Sikanderabad	TIN : 09867900843	Uttar Pradesh Value Added Tax Act	Certificate of Registration	Until cancelled
65	11/ 04/2001	Commercial Tax Department, Dehradun	TIN : 05000977494	Uttarakhand Value Added Tax Act	Registration Certificate	Until cancelled
66	02/07/2013	Joint Commissioner Commercial Taxes, West Bengal	No. : 19200590020	West Bengal Value Added Tax Act, 2005	Certificate of Registration	Until cancelled
67	01/07/2003	Commissioner, Commercial Tax, Indore, Madhya Pradesh	No.23731400535	Madhya Pradesh Value Added Tax Act, 2002	Certificate of Registration	Until cancelled
68	25/03/2014	Asstt. Commissioner of Commercial Taxes, Bangalore, Karnataka	No.29820139629	The Central Sales Tax (Registration and Turnover) Rules, 1957	Certificate of Registration	Until cancelled
69	19/03/1980	Commissioner of Commercial Tax, Rajasthan	No.8151601164	The Central Sales Tax (Registration and Turnover) Rules, 1957	Certificate of Registration	Until Cancelled
70	15/07/2014	Registering Authority, Sikandrabad, Uttar Pradesh	No.09867900843C	The Central Sales Tax (Registration and Turnover) Rules, 1957	Certificate of Registration	Until cancelled
71	11/04/2001	Commercial Tax Department, Dehradun, Uttrakhand	No.05000977494	The Central Sales Tax (Registration and Turnover) Rules, 1957	Certificate of Registration	Until cancelled

72	16/01/2001	Profession Tax Officer, Cuttack.	PR-CUIE-4 and PE-CUIE- 21	Orissa State Tax on Professions, Trades, Callings and Employment Act, 2000	Certificate of Registration	Until cancelled
73	01/03/2013	Registering Authority, Commercial Taxes Department, Ranchi, Jharkhand	No. 2005042800108	Jharkhand Tax on Professions, Trades, Callings and Employment Act, 2011	Certificate of Registration	Until cancelled
74	21/08/2013	Profession Tax Officer, Nashik, Maharahtra	P.T.R.C No.27205078855P	Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975	Certificate of Registration	Until cancelled
75	24/04/2015	Deputy Commissioner of Commercial Taxes, Special Circle, Patna	No.10AACES0547D	Bihar Tax on Professions, Trades, Callings and Employment Act, 2011	Certificate of Registration	Until cancelled
76	24/04/2015	Deputy Commissioner of Commercial Taxes, Special Circle, Patna	No.10CALS02276B	Bihar Tax on Professions, Trades, Callings and Employment Act, 2011	Certificate of Registration	Until cancelled
77		Professional Tax Officer, Chennai, Tamil Nadu	No. 05-060-PE-0084/ 02-027-PE-407	The Tamil Nadu tax on Professions, Trades, Callings and Employments Act, 1992	Certificate of Registration	Until cancelled
78		Professional Tax Officer, Department of Commercial Tax, Indore, Madhya Pradesh	No.79889005326	Madhya Pradesh Professional Tax	Certificate of Registration	Until cancelled
79		Assistant Commercial Tax Officer, Vishakhapatnam, Andhra Pradesh	No. : 37440118843	A.P. Tax on Professions, Trade, Callings and Employment Act, 1987	Certificate of Registration	Until cancelled
80		Professional Tax Officer, Bangalore	No.383146897	Karnataka Professional Tax	Certificate of Registration	Until Cancelled

81	14/07/2005	Raipur, Chhattisgrah	No.22771503592	The Central Sales Tax (Registration and Turnover) Rules, 1957	Certificate of Registration	Until cancelled
82	01/04/2005	Sales Tax Officer, Cuttack, Odisha	No.21381202153	The Central Sales Tax (Registration and Turnover) Rules, 1957	Certificate of Registration	Until cancelled
83	01/04/2003	Sales Tax Officer, Gurgaon, Haryana	No.6531920021	The Central Sales Tax (Registration and Turnover) Rules, 1957	Certificate of Registration	Until cancelled
84	01/05/2015	Assistant Commissioner of taxes, Dispur, Guwahati, Unit-A Assam	No.18468905324	Assam Professions, Trades, Calling and Employments, Taxation Act, 1947	Certificate of Registration	Until Cancelled
85	25/03/2012	Professional Tax Officer, Ahmedabad, Gujarat	No.PRC013240025	Gujarat Professional Tax	Certificate of Registration	Until Cancelled
86	25/10/2013	Profession Tax Officer Unit-1, Nagpur, Maharashtra	No.27200386480P	Maharashtra State tax on Professions, Trades ,Callings and Employments Act, 1975	Certificate of Registration	Until Cancelled
87	24/05/2017	Professional Tax Officer, Hyderabad, Telangana	PTIN : 36440118843	Telangana Professional Tax	Certificate of Registration	Until Cancelled
88		Professional Tax Officer, Pune, Maharashtra	No.27165151627P	Maharashtra Professional Tax	Certificate of Registration	Until Cancelled
89	01/07/2003	Commissioner, Commercial Tax, Indore, Madhya Pradesh	No.23731400535	The Central Sales Tax (Registration and Turnover) Rules, 1957	Certificate of Registration	Until Cancelled
90	05/07/2007	Assistant Commissioner of Central Excise & Customs, Nashik	AAECS0547DXM002	The Central Excise Rules, 2002	Certificate of Registration for Nasik factory	Until Cancelled
91	27/03/2002	Superintendent, Central Excise Range – II , Howrah, South Division, West Bengal	AAECS0547DXM001	The Central Excise Rules, 2001	Certificate of Registration for Howrah factory	Until Cancelled

92	20/04/2017	Deputy/ Assistant Commissioner of Central Excise, Howrah West Division, West Bengal	AAECS0547DED051	The Central Excise Rules, 2002	Certificate of Registration	Until Cancelled
93	28/10/2013	Deputy Commissioner of Central Excise, Kalyan- I, Maharashtra	AAECS0547DEM040	The Central Excise Rules, 2002	Certificate of Registration	Until Cancelled
94	12/05/2003	Deputy Commissioner of Central Excise, Division V, Noida	AAECS0547DXM003	The Central Excise Rules, 2002	Certificate of Registration for Sikandrabad factory	Untill Cancelled
95	26/04/2013	Deputy/ Assistant Commissioner of Central Excise, Chennai	AAECS0547DEM037	The Central Excise Rules, 2002	Certificate of Registration for Goomidipoondi factory	Untill Cancelled

B. Under Employment Laws:

Sl. No	Date of approval	Sanctioning Authority	License/ Approvals/ Registration number	Applicable law	Nature of approval	Valid up to
1	18/10/2016	Chief Inspector of Factories, West Bengal	No. 2901	Factories Act, 1948	Factory License for Howrah unit	31/12/2018
2	19/11/2016	Chief Inspector of Factories, U.P.	UPFA11000095	The Factories Act, 1948	Factory License for Sikandrabad unit	31/12/2018
3	22/02/2017	Asstt. Director, Industrial Security and Health, Maharashtra	No.1611600226394	The Factories Act,1948	Factory License for Nasik unit	31/12/2017
4	22/02/2011	Deputy Director of Health Services, Thrivallur, Tamil Nadu	763/E3/2011	Factories Act, 1948 and Tamil Nadu Factories Rules, 1950	Plan Approval of Gummidipoondi Factory from Public Health Services	Not Applicable
5	30/11/2015	Secretary, Labour and Employment (M2) Department, Chennai	G.O. (MS) No. 196	Factories Act, 1948 and Tamil Nadu Factories Rules, 1950	Approval for Gummidipoondi Factory	Not Applicable
6	30/03/2015	Joint Director, Industrial Safety and Health -I, Chennai	No. 3262	Factories Act, 1948 and Tamil Nadu Factories Rules, 1950	Factory License for Gummidipoondi unit	31/12/2017

7	09/12/2004	Employees State Insurance Corporation	No.:6700023434000010	Employees State Insurance Act, 1948	Registration for Sikandrabad factory	Until cancelled
8	19/10/2016	Employees State Insurance Corporation	No.:36000013650000306	Employees State Insurance Act, 1948	Registration for Nasik factory	Until cancelled
9	09/03/2011	Employees State Insurance Corporation	No.:53410011090010306	Employees State Insurance Act, 1948	Registration for Bangalore	Until cancelled
10	09/12/2010	Employees State Insurance Corporation	No.:41410011090030306	Employees State Insurance Act, 1948	Registration for Kolkatta	Until cancelled
11	31/03/2011	Employees State Insurance Corporation	No.:44410011090010300	Employees State Insurance Act, 1948	Registration for Cuttack	Until cancelled
12	13/07/2012	Employees State Insurance Corporation	No.:52410011090010300	Employees State Insurance Act, 1948	Registration for Tirupathi, Vizag	Until cancelled
13	01/02/2011	Employees State Insurance Corporation	No.:52410011090011000	Employees State Insurance Act, 1948	Registration for Hyderabad	Until cancelled
14	24/03/1994	Employees State Insurance Corporation	No.:57410011090010300	Employees State Insurance Act, 1948	Registration for Madurai	Until cancelled
15	29/04/2011	Employees State Insurance Corporation	No.:27410011090010300	Employees State Insurance Act, 1948	Registration for Jodhpur	Until cancelled
16	23/09/2010	Employees State Insurance Corporation	No.:11410011090010300	Employees State Insurance Act, 1948	Registration for Delhi and Haryana	Until cancelled
17	11/05/2011	Employees State Insurance Corporation	No.:61410011090020300	Employees State Insurance Act, 1948	Registration for Dehradun	Until cancelled
18	25/05/2011	Employees State Insurance Corporation	No.:61410011090010300	Employees State Insurance Act, 1948	Registration for Haldwani	Until cancelled
19	01/04/2010	Employees State Insurance Corporation	No.:18410011090010300	Employees State Insurance Act, 1948	Registration for Indore	Until cancelled
20	17/06/2011	Employees State Insurance Corporation	No.:37410011090010300	Employees State Insurance Act, 1948	Registration for Ahmedabad	Until cancelled
21	19/01/1995	Employees State Insurance Corporation	No.:31410011090010300	Employees State Insurance Act, 1948	Registration for Mumbai, Nasik, Pune and Nagpur	Until cancelled
22	19/01/1995	Employees State Insurance Corporation	No.:47410011090010300	Employees State Insurance Act, 1948	Registration for Cochin and Calicut	Until cancelled
23	28/03/2011	Employees State Insurance Corporation	No.:30410011090010300	Employees State Insurance Act, 1948	Registration for Uttar Pradesh	Until cancelled
24	19/01/1995	Employees State Insurance Corporation	No.:19410011090700300	Employees State Insurance Act, 1948	Registration for Jammu	Until cancelled

25	23/03/2011	Employees State Insurance Corporation	No.:17410011090010300	Employees State Insurance Act, 1948	Registration for Chandigarh, Mohali and Parwanoo	Until cancelled
26	28/12/2010	Employees State Insurance Corporation	No.:26410011090010300	Employees State Insurance Act, 1948	Registration for Ludhiana and Jallandhar	Until cancelled
27	19/04/2011	Employees State Insurance Corporation	No.:42410011090010300	Employees State Insurance Act, 1948	Registration for Patna	Until cancelled
28	25/11/2010	Employees State Insurance Corporation	No.:41410011090010300	Employees State Insurance Act, 1948	Registration for Siliguri and Malda	Until cancelled
29	19/01/1995	Employees State Insurance Corporation	No.:43410011090010306	Employees State Insurance Act, 1948	Registration for Guwahati and Agartala	Until cancelled
30		Employees State Insurance Corporation	No.:41000011090000300	Employees State Insurance Act, 1948	Registration for Howrah factory	Until cancelled
31	01/11/2003	Employees' Provident Fund Organisation	MRMRT0030850000	The Employees Provident Fund Act, 1952	Registration for Sikandrabad factory	Until cancelled
32	01/04/1992	Employees' Provident Fund Organisation	KDNSK0050447000	The Employees Provident Fund Act, 1952	Registration for Nasik factory	Until cancelled
33	01/12/1987	Employees' Provident Fund Organisation	MHBAN0024040000	The Employees Provident Fund Act, 1952	Registration for Mumbai Branch	Until cancelled
34	01/02/1964	Employees' Provident Fund Organisation	WBHLO0009912000	The Employees Provident Fund Act, 1952	Registration for Howrah factory	Until cancelled
35	01/01/1963	Employees' Provident Fund Organisation	WBHLO0005195000	The Employees Provident Fund Act, 1952	Registration for Rest of India	Until cancelled
36	17/04/2017	Registering Officer, Joint Director-I, Industrial Safety& Health, Chennai	R.C.No. 4/2017	Contract Labour (Regulation and Abolition) Act, 1970	Registration Certificate for Chennai factory	31/12/2017
37	02/01/2014	Registrar of Contract Labour, Bullandshar	No. 2/2007	Contract Labour (Regulation and Abolition) Act, 1970	Registration Certificate for Sikandrabad factory	Until cancelled
38	28/03/2005	Registering Officer, Shop and Establishments, Guwahati	SEA/CE/F/1001	Assam Shop and Establishment Act and the Rules	Certificate Of Registration	31/12/2017
39	03/10/2005	Inspecting Officer, Bihar Shops and Establishment, Patna	Reg.No.21486 (1850-3)	Bihar Shop and Establishment Act,1953	Registration Certificate	Until cancelled

40	06/07/2016	Inspector, Shops And Establishment Municipal Corporation, Raipur, Chhattisgarh	40988/RPR/S/2016	Chhattisgarh Shops and Establishment Act, 1958	Registration of Establishment	31/12/2020
41	26/07/2016	Department of Labour, Govt. of NCT of Delhi.	2016042528	Delhi Shops and Establishment Act, 1954	Registration Certificate	Until cancelled
42	26/07/2016	Department of Labour, Govt. of NCT of Delhi.	2016042531	Delhi Shops and Establishment Act, 1954	Registration of Commercial Establishment at Mandoli, Delhi.	Until cancelled
43	26/07/2016	Department of Labour, Govt. of NCT of Delhi.	2016042530	Delhi Shops and Establishment Act, 1954	Registration of Commercial Establishment at Naraina, New Delhi.	Until cancelled
44	26/07/2016	Department of Labour, Govt. of NCT of Delhi.	2016042529	Delhi Shops and Establishment Act, 1954	Registration of Commercial Establishment at Neb Sarai, New Delhi	Until cancelled
45	10/09/2016	Chief Inspector, Shops and Commercial Establishment, Uttar Pradesh	UPSA60007667	Uttar Pradesh Shops & Commercial Establishment Act, 1962	Registration Certificate for Mangat Puram	31/03/2021
46	28/01/2012	Senior Labour Inspector, Bangalore, Karnataka	26/158/CE/0446/2012	Karnataka Shops and Commercial Establishment Act, 1961	Registration Certificate	31/12/2019
47	01/06/2015	Inspector, Shops and Commercial Establishments, Chandigarh	PSA/REG/GGN/LI-GGN -3-8/0133954	Punjab Shops and Commercial Establishments Act, 1958	Registration Certificate	31/03/2018
48	22/11/2016	Inspector, Department of Labour, Govt. of Rajasthan, Jaipur	SCA/2016/14/991560	Rajasthan Shops And Commercial Establishments Act, 1958	Registration Certificate	31/12/2019
49	25/02/2017	ALO, Labour Deptt., Govt. of Telangana	SER/HYD/ALO/03/43182/2017	Telangana Shops and Establishment Act, 1988	Renewal of Registration Certificate	31/12/2017
50	28/06/2016	Registering Authority, Agartala	No. BRAM/20011	Tripura Shops and Establishment Act, 1970	Certificate of Registration	27/06/2017
51	07/12/2005	Chief Inspector, Shops & Commercial Establishments, Lucknow	No. : 6/6739	Uttar Pradesh Shops & Commercial Establishment Act, 1962	Certificate of Registration for Lucknow	31/03/2020

52	02/06/2010	Chief Inspector, Shops and Commercial Establishment, Varanasi	No. 11/510	Uttar Pradesh Shops & Commercial Establishment Act, 1962	Registration Certificate for Varanasi	31/03/2020
53	01/04/2013	Chief Inspector, Uttar Pradesh Shops and Commercial Establishments, Agra, U.P	.UPS250112001440	Uttar Pradesh Shops & Commercial Establishment Act, 1962	Registration Certificate for Agra	31/03/2018
54	19/07/2000	Chief Inspector of Shops, Kanpur	No. 385	Uttar Pradesh Shops & Commercial Establishment Act, 1962	Registration Certificate for Kanpur	31/03/2020
55	16/08/2016	Department of Labour, Govt. of NCT of Delhi.	No.2016048678	Delhi Shops and Establishment Act,1954	Registration Certificate for Kharagpure Establishment	Until Cancelled
56	14/10/2004	Labour Inspector, Circle II, Jammu	JC/III/1603	Jammu and Kashmir Shops and Establishment Act, 1966	Registration Certificate fro Jammu	31/3/2018
57	23/05/2017	Licensing Officer, Visakhapatnam, Andhra Pradesh	AP-03-84-060-0427738	The Andhra Pradesh(Issuance of Integrated Registration and Furnishing of Combined Returns under various Labour Laws by certain Establishments) Act, 2015	Certificate Of Registration of Establishments	31/03/2020
58	29/08/2015	Director, Industrial Safety and Health, Chennai	H1/22216/2015	Factories Act, 1948 and Rules 1950	Approval for Gummidipoon di Factory	28/08/2017
59	17/03/2016	Assistant Labour Officer, Ernakulam, Cochin	SH070220090644	Kerala Shops & Commercial Establishment Act, 1960	Registration Certificate for Cochin	31/12/2017

C. Under Environmental Laws:

Sl. No	**Date of approval**	**Sanctioning Authority**	**License/Approval/ Registration number**	**Applicable law**	**Nature of approval**	**Valid up to**
1.	07/12/2016	Chief Environment Officer, Circle -4, Lucknow	F83381/C-4/air pollution-101/16	Air (Prevention and Control of Pollution) Act , 1981	Consent Order to establish & operate Sikandrabad factory	31/12/2017

2.	07/12/2016	Chief Environment Officer, Circle -4, Lucknow	F83382/C-4/water pollution-122/16	Water (Prevention and Control of Pollution) Act , 1974	Consent Order to establish & operate Sikandrabad factory	31/12/2017
3.	11/02/2016	Maharashtra Pollution Control Board, Mumbai	Format 1.0/BO/AS(T)/ NK-20326-15/E/GEN-01984	Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act , 1981 and Hazardous Wastes (M, H & TM) Rules, 2008	Grant of Consent to Establish Proposed Expansion at Nashik Factory	31/01/2021
4.	18/02/2016	Maharashtra Pollution Control Board, Mumbai	Format 1.0/BO/AS(T)/ NK-20898-16/R/GEN-02393	Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act , 1981 and Hazardous Wastes (M, H & TM) Rules, 2008	Renewal of Grant of Consent to Operate Nashik Factory	31/12/2020

D. Under Other Applicable Laws:

Sl. No	Date of approval	Sanctioning Authority	License/Approval/ Registration number	Applicable law	Nature of approval	Valid up to
1	29/10/2015	Jt. Chief Controller of Explosives, PESO, Mumbai	P/HQ/MH/15/1892 (P7191)	Petroleum Act, 1934 and Petroleum Rules, 2002	License to Import & Store 343 KL Petroleum Class A, B, C, in an installation at Nashik Factory	31/12/2018
2	04/12/2004	Jr. Chief Controller of Explosives, Agra	P/HQ/UP/15/4330 (P27546)	Petroleum Act, 1934 and Petroleum Rules, 2002	License to Import & Store 111.40 KL Petroleum Class A & B in an installation at Sikandrabad Factory	31/12/2019
3	15/05/2006	Jr. Chief Controller of Explosives, Agra	P/HQ/UP/15/4579 (P27058)	Petroleum Act, 1934 and Petroleum Rules, 2002	License to Import & Store 144 KL Petroleum Class A & B in an installation at Sikandrabad Factory	31/12/2018

4	21/11/2014	Chief Controller of Explosives	P/HQ/WB/15/259 (P692)	Petroleum Act, 1934 and Petroleum Rules, 2002	License to Import & Store 77.28 KL Petroleum Class C in an installation at Howrah Factory	31/12/2019
5	17/07/2015	Chief Controller of Explosives	P/HQ/WB/15/21(P268)	Petroleum Act, 1934 and Petroleum Rules, 2002	License to Import & Store 134.40 KL Petroleum Class B in an installation at Howrah Factory	31/12/2019
6.	17/07/2015	Chief Controller of Explosives	P/HQ/WB/15/26(P273)	Petroleum Act, 1934 and Petroleum Rules, 2002	License to Import & Store 18.10 KL Petroleum Class B in an installation at Howrah Factory	31/12/2019
7	26/07/2016	Chief Controller of Explosives	No. A/P/HQ/TN/15/53 82(P383510)	Petroleum Act, 1934 and Petroleum Rules, 2002	License to Import & Store 180 KL Petroleum Class B in an installation at Goommidipoondi Factory	Not applicable
8	12/02/2014	Additional Collector, Nashik, Maharashtra	Licence No. 22/2007	Maharashtra Solvent, Raffinate & Slop Licensing Order 2007	Consumer License for Nasik factory	31/12/2018
9	29/12/2016	District Officer Fire & Rescue Services Chennai Suburban District	No.4018/2016	Tamil Nadu Fire Service Act, 1985	Fire Service Licence for Godown/Sales Depot at Chennai.	28/12/2017
10.	12/06/2017	Fire Officer, Latush Road, Kanpur	3522	National Building Code and UP Building Byelaws and Uttar Pradesh Fire Prevention and Fire Safety Act/Rules, 2005	Certificate of Fire Safety	11/06/2018
11.	22/02/2017	Joint Director, Fire Service, Lucknow, U.P	19/JD/FS/Lucknow-17 (Bulandshahr)/50	The Uttar Pradesh Fire Prevention and Fire Safety Act, 2005	Fire Safety NoC for Sikandrabad factory	Not applicable
12.	27/01/2017	Assistant Divisional Fire Oficer, Fire Brigade, Jallandhar	FB/ADFO/JAL-R/409	Punjab Fire Safety Rules	Renewal of Fire Safety Certificate (NOC)	10/11/2017
13.	31/08/2016	Joint Director, Fire & Emergency	No.JDJF&ES/FP/ 4992	J & K Fire Safety Rules	Recommendation Letter for Fire Safety NOC	Not Applicable

		Services, Jammu Range, Jammu				
14.	12/08/2016	District Forest Officer, Thiruvallur District, Tamil Nadu	3205/2016/u	Tamil Nadu Forest Act, 1882 and The Protection of Forest Living Organism Act, 1972 and Protection of Forest Act, 1980	No Objection Certificate to start Gummidipoondi Factory	Not Applicable
15.	15/02/2012	General Manager, District Industries Centre, Kakkalur Industrial Estate, Thiruvallur, Tamil Nadu	676/A2/11	Department of Industries and Commerce requirements	Approval of the Department for construction of Gummidipoondi Factory	Not Applicable
16.	30/01/2012	Deputy Director (Town Planning), Thrivallur, Tamil Nadu	3096/2011/3	Town Planning Office of the District of Tamil Nadu	Plan Approval of Gummidipoondi Factory from Town Planning	Not Applicable
17.	25/03/2017	Inspector, Legal Measurement , Nashik, Maharashtra	No. 0220052	Maharashtra Legal Metrology (Enforcement) Rules, 2011	Verification Certificate for Nasik factory	25/03/2018
18.	18/12/2015	Inspector, Legal Measurement , Nashik	No. 0442387	Maharashtra Legal Metrology (Enforcement) Rules, 2011	Verification Certificate for Nasik factory	18/12/2017
19.	18/12/2015	Inspector, Legal Measurement , Nashik	No. 0442388	Maharashtra Legal Metrology (Enforcement) Rules, 2011	Verification Certificate for Nasik factory	18/12/2017
20.	29/06/2013	Inspector of Legal Metrology, Nashik	No.177704	Maharashtra Legal Metrology (Enforcement) Rules, 2011	Certificate for storage tank	29/06/2018
21.	04/01/2017	License Officer, Howrah Municipal Corporation	HMC/W5/36971/ 17	**The Howrah Municipal Corporation Act, 1980**	Trade License	31/3/2018

22.	08/02/2011	Divisional Officer, Fire & Rescue Services Department, Thiruvallur, Tamil Nadu	No. 1162/B/2011	Fire and Life Safety Act, 20**05**	NoC to Construct Industrial Building at Gummidipoondi,Thiruvallur, Tamil Nadu	Not Applicable
23.	16/03/2017	Legal Metrology Officer, Bulandshahar	No. 168187	Legal Metrology Uttar Pradesh	Verification Certificate for Sikandrabad factory	16/03/2018
24.	04/06/2016	Legal Metrology Officer, Bulandshahar	No. 753155	Legal Metrology Uttar Pradesh	Verification Certificate for Sikandrabad factory	04/06/2021
25.	04/06/2017	Legal Metrology Officer, Bulandshahar	No. 223644 and 223645	Legal Metrology Uttar Pradesh	Verification Certificate for Sikandrabad factory	04/06/2018
26.	30/05/2017	Executive Officer, Agartala Municipal Corporation	No.4/16/381	Tripura Municipal Corporation Act	Municipal License	31/03/2018
27.	12/06/2017	Kharagpur Municipality	No.2007212487	The West Bengal Municipal Act, 1993	Certificate of Enlistment	31/03/2018
28.	24/04/2017	Siliguri Municipal Corporation	2012217518	The West Bengal Municipal Act, 1993	Certificate of Enlistment	31/03/2018
29.	29/06/2017	Petroleum and Explosives Safety Organisation (PESO)	P/HQ/TN/15/5175 (P383510)	Petroleum Rules 2002	Storage of kinds and quantities of petroleum for Goomidipoondi Plant	31/12/2017

II) We have applied for/ yet to apply for renewal of the following Licenses/ Approvals/ Registrations/ Consents which have since expired:

Sl. No	Date of approval	Sanctioning Authority	License/ Approval/ Registration number	Applicable law	Nature of approval	Valid up to	Date of Application for Renewal/ Remarks
1.	06/06/2012	Director, Maharashtra Enviro Power Ltd. (as per MOU with MIDC & MPCB)	No. MEPL/CAS005	Common Hazardous Waste Treatment, Storage & Disposal Facility	Membership Registration Certificate	05/06/2017	To be applied
2.	26/05/2015	Tamil Nadu Pollution Control Board	No. 5582	Air (Prevention and Control of Pollution) Act, 1981	Consent Order for Gummidipoondi factory	26/05/2017	To be applied
3.	26/05/2015	TamilNadu Pollution Control Board	No. 5642	Water (Prevention and Control of Pollution) Act, 1974	Consent Order for Gummidipoondi factory	26/05/2017	To be applied
4.	27/04/2016	District Officer & Rescue Services, Coimbatore, Tamil Nadu	No.338/2016	Tamil Nadu Fire Service Act, 1985	Fire Service Licence for Godown at Coimbatore	26/04/2017	To be applied
5.	27/09/2007	Assessing Authority Commercial Taxes Officer Circle E, Jammu	TIN : 01141050519	Jammu & Kashmir Value Added Tax Act, 2005	Registration Certificate	31/03/2015	To be applied
6.	09/06/2014	Sales Tax Officer, Cochin, Kerala	No.32070328132C	The Central Sales Tax (Registration and Turnover) Rules, 1957	Certificate of Registration	31/03/2015	22/04/2016
7.	09/06/2014	Department of Commercial Taxes, Cochin, Kerala	TIN : 32070328132	Kerala Value Added Tax Rules, 2005	Renewal of Registration	31/03/2015	22/04/2016
8.	29/10/2013	West Bengal Pollution Control Board, Kolkata	No. C084465	Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act,	Renewal of Consent to Operate	31/07/2014	Application for renewal will be filed once Howrah factory is ready to restart its

				1981			operations
9.	2009	West Bengal Pollution Control Board, Kolkata	318/2S(HW)-1119/2009	Hazardous Wastes (M, H & TM) Rules, 2008	Consent to operate	30/04/2011	Application for renewal will be filed once Howrah factory is ready to restart its operations
10.	01/11/2016	Secretary, Begri Gram Panchayat, Begri, Distt. Howrah	BGP/1841 (Certificate No.888)	Begri Gram Panchayat Rules	Provisional Trade Licence	31/03/2017	Under process
11.	27/06/2016	Bruhat Bangalore Mahanagara Palike, Health department, Bangalore	RA05160542137 478372	KMC Act and Byelaws	Trade Licence Renewal Certificate	31/03/2017	Under process
12.	06/01/2016	Assistant Revenue Officer, Municipal Corporation, Raipur, Chattisgarh	20. 13936	Raipur Municipal Corporation Rules, 1992	Licence to import and store petroleum in an installation	31/03/2017	Under process
13.	15/11/2016	Kolkata Municipal Corporation	No. 479502	The Kolkata Municipal Corporation Act	Certificate Of Enlistment	31/03/2017	Under process
14.	22/11/2013	Collector of Fire License & Joint Secretary, Fire & Emergency Services Department, West Bengal	No. HOW-3/1738	West Bengal Fire Services Act, 1950	Renewal of Fire License for Howrah factory	09/09/2014	Application for renewal will be filed once Howrah factory is ready to restart its operations
15.	20/05/2002	District Magistrate, Howrah, West Bengal	Licence No. 22/2007	West Bengal Solvents, Raffinates & Slops and Other Equivalent Petroleum Products (Acquisition, Sales, Storage, and Prevention of Use in Automobiles, Order 2000	Consumer License for Howrah factory	19/05/2014	Application for renewal will be filed once Howrah factory is ready to restart its operations

16.	24/07/2015	Prescribed Authority, WB South Unit-I, Howrah	No.192022624640	West Bengal State Tax on Professions, Trades, Callings and Employment Act, 1979	Certificate of Enrollment	31/03/2016	Application for renewal will be filed once Howrah factory is ready to restart its operations
17.	01/04/2015	Old Malda Municipality		The West Bengal Municipal Act, 1993	Certificate of Enlistment	31/03/2016	To be applied
18.	21/04/2008	Inspector, Shops and Commercial Establishments, Parwanoo Circle, Distt. Solan, H.P.	PWN/CE/293/2008	Himachal Pradesh Shops and Commercial Establishments Act, 1969	Registration Certificate for Parwanoo	31/12/2012	To be applied
19.	01/02/2015	Asstt. Commissioner of Labour, Nasik, Maharashtra	No.1620600710002584	Contract Labour (Regulation and Abolition)Act, 1970	Registration Certificate for Nasik factory	31/12/2016	Application for renewal will be filed once Nasik factory is ready to restart its operations
20.	10/12/2013	The Controller of Legal Metrology, Howrah, West Bengal	No. 908341	The Legal Metrology Act, 2009	Verification Certificate for Howrah factory	09/12/2014	Application for renewal will be filed once Howrah factory is ready to restart its operations
21.	09/05/2016	Collector & JL Secretary, Fire licence, Siliguri	No.39337	The West Bengal Fire Services Act, 1950	Fire Licence for Siliguri	06/05/2017	15/05/2017
22.	13/12/2013	Uttar Pradesh Pollution Control Board	F-34024	Environment (Protection) Act, 1986	Collection & Storage of Hazardous Waste for Sikandrabad factory	06/12/2016	21/10/2016 and on 24/05/2017
23.	08/07/2005	District Supply Officer, Bulandshahar	No. 24/DSO-solvent/SKD/05	License Solvents, Raffinates & Slops and Other Equivalent Petroleum Products	Consumer License for Sikandrabad factory	31/03/2013	To be applied

				(Acquisition, Sales, Storage, and Prevention of Use in Automobiles, Order 2000			
24.	25/06/2017	Tamil Nadu Pollution Control Board, Chennai	No. 273418	Common Hazardous Waste Treatment, Storage & Disposal Facility	Collection & Storage of Hazardous Waste for Gummidipoondi factory	Not Applicable	Under Process
25.	24/06/2015	Guwahati Municipal Corporation	No. 7877	Guwahati Municipal Corporation act	Application for Registration	31/03/2017	19/04/2017
26.	24/05/2016	Jallandhar Municipal Corporation, Punjab	No. 19/14086	Punjab Municipal Corporation Act, 1976	Trade License	31/03/2018	25/05/2017

Registered Trade Marks of Our Company :

The Company has the following Trade Marks registered in its name in terms of provisions of Trade Marks Act, 1999:

Sr. No	Trade Mark Number & Date	Title of Trade Mark	Registration Authority	Certificate No. &Date	Class	Validity
1.	2613365 17/10/2013	S SHALIMAR PAINTS (LABEL)	Trade Marks Registry, MUMBAI	1428411 28/12/2016	2	17/10/2023
2	2733475 08/05/2014	SHALIMAR DAZZLE	Trade Marks Registry, MUMBAI	1312331 22/08/2016	2	08/05/2024
3	5340 17/09/1942	THE SHALIMAR TURPSOL	Trade Marks Registry, KOLKATA	6674 13/04/1946	2	17/09/2026
4	5349 17/09/1942	SHALIMAR STANDS FOR QUALITY	Trade Marks Registry, KOLKATA	17167 07/11/1947	2	17/09/2026
5	5394 17/09/1942	SHALIMAR	Trade Marks Registry, KOLKATA	7649 25/04/1946	2	17/09/2026
6	5352 17/09/1942	DIAMOND	Trade Marks Registry, KOLKATA	259211 21/12/2016	2	17/09/2026
7	124429 22/08/1946	SHALIMAR	Trade Marks Registry, KOLKATA	99512 16/08/2013	2	22/08/2023
8	893827 23/12/1999	SHALIMAR XTRA	Trade Marks Registry, KOLKATA	407377 09/08/2005	2	23/12/2019
9	1033737 02/08/2001	SHALIMAR	Trade Marks Registry, KOLKATA	368811 11/05/2005	2	02/08/2021
10	1108105 30/05/2002	SHALIMAR MAGIC ACRYLIC WALL PUTTY	Trade Marks Registry, KOLKATA	1535 30/05/2012	2	30/05/2022
11	1108106 30/05/2002	Shalimar (LABEL)	Trade Marks Registry, KOLKATA	664979 09/01/2008	2	30/05/2022
12	1115140 28/06/2002	SHALIMAR HEART BRAND GOLD SIZE PUTTY	Trade Marks Registry, KOLKATA	556240 16/02/2006	2	28/06/2022

13	1115141 28/06/2002	SHALIMAR (HEART BRAND) (label)	Trade Marks Registry, KOLKATA	495772 23/12/2005	2	28/06/2022
14	1134916 19/09/2002	SHALIMAR MAHA CHEMKOTE SP. LOGO.	Trade Marks Registry, KOLKATA	1075373 28/09/2012	2	19/09/2022
15	1177846 24/02/2003	SHALIMAR SUPERLAC	Trade Marks Registry, KOLKATA	561946 27/09/2006	2	24/02/2013
16	1186322 26/03/2003	SHALIMAR NO. 1 SILK EMULSION	Trade Marks Registry, KOLKATA	515788 30/01/2006	2	26/03/2033
17	1186323 26/03/2003	SHALIMAR NO. 1 SILK EMULSION refer to physical copy mistake abt it	Trade Marks Registry, KOLKATA	376700 26/05/2005	2	25/05/2023
18	1186324 26/03/2003	SHALIMAR SUPERLAC SATIN FINISH	Trade Marks Registry, KOLKATA	376696 26/05/2005	2	26/03/2023
19	1634739 26/12/2007	Shalimar Superlac	Trade Marks Registry, KOLKATA	805884 31/03/2009	2	26/12/2017
20	1186321 26/03/2003	SHALIMAR SUPARLAC SATIN FINISH	Trade Marks Registry, KOLKATA	722677 29/09/2008	2	26/03/2023
21	1634740 26/12/2017	SHALIMAR SUPARLAC	Trade Marks Registry, KOLKATA	806965 31/03/2009	2	26/12/2017
22	909174 10/03/2000	SHALIMAR`S HUSSAIN COLLECTION	Trade Marks Registry, KOLKATA	709726 26/03/2008	2	10/03/2020
23	5348 17/09/1942	MATTKOTE	Trade Marks Registry, KOLKATA	18566 22/03/1948	2	17/092026
24	684106 18/10/1995	Premium Acrylic Washable Distemper	Trade Marks Registry, KOLKATA-	251165 dated 29/09/2016	2	18/10/2025

OTHER REGULATORY AND STATUTORY INFORMATION

Authority for the Issue

The Issue has been authorized by our Board by a resoltion passed at its meeting held on April 07, 2017, pursuant to Section 62 of the Companies Act, 2013. The Issue Price of ₹ [●] per Rights Equity Share and the Rights Entitlement of [●] Rights Equity Share for every [●] fully paid-up Equity Shares held on the Record Date i.e . [●] has been determined by the Board in its meeting held on [●] .The Issue Price has been arrived at in consultation with the Lead Manager.

Our Company has received in-principle approvals from the BSE and the NSE under Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be allotted in the Issue pursuant to their letters, [●] and [●], respectively.

Prohibition by RBI, SEBI or other governmental authorities

Our Company, the Promoters, the Directors, Promoter Group, persons in control of our Company and persons in control of the Corporate Promoter as well as its directors have not been debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which our Promoters, our Promoter Group, our Directors or the persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Company, our Promoters, our Directors, our Promoter Group, relatives of promoters, are or have been classified as a wilful defaulter by a bank or financial institution or a consortium thereof in accordance with the guidelines on wilful defaulters issued by RBI. Accordingly, no disclosures have been made pursuant to the requirements of Regulation 4(6) read with Part G of Schedule VIII of the SEBI ICDR Regulations.

None of our Directors are associated with the securities market in any manner.

Eligibility for the Issue

The Equity Shares of our Company are presently listed on the BSE and NSE. It is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter IV of the SEBI ICDR Regulations.

Our Company is in compliance with the conditions specified in Regulation 4(2) of SEBI ICDR Regulations, 2009, to the extent applicable. Further, in relation to compliance with Regulation 4(2)(d) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to this Issue. Our Company has chosen BSE as the Designated Stock Exchange for the Issue.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT LETTER OF OFFER TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. THE LEAD MANAGER, SPA CAPITAL ADVISORS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, SPA CAPITAL ADVISORS LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 29, 2017 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC., AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT LETTER OF OFFER PERTAINING TO THE SAID ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER,**

WE CONFIRM THAT:

(A) THE DRAFT LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE, AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITER TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOT APPLICABLE**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN WILL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER. - NOT APPLICABLE**

6. **WE CERTIFY THAT REGULATION 33 OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER / LETTER OF OFFER. - NOT APPLICABLE**

7. **WE UNDERTAKE THAT SUB-REGULATION 4 OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS WILL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 40(3) OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE EQUITY SHARES IN DEMAT OR PHYSICAL MODE.**

11. **WE CERTIFY THAT ALL APPLICABLE DISCLOSURES MANDATED IN THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:**

(A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND

(B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, RISK FACTORS, PROMOTER EXPERIENCE, ETC.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTER**

OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

16. **WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER THE FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR. - NOT APPLICABLE**

17. **WE CERTIFY THAT THE PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. - COMPLIED WITH TO THE EXTENT OF RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017.**

18. **WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS (IF APPLICABLE) - NOT APPLICABLE**

THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT LETTER OF OFFER.

Disclaimer clauses from our Company and the Lead Manager

Our company and the lead manager accept no responsibility for statements made otherwise than in this draft letter of offer/Letter of Offer or in the advertisement or any other material issued by or at the instance of our company and that anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in the issue will be deemed to have been represented by our company and the lead manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire equity shares of our company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this issue.

Caution

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in the Letter of Offer or in any advertisement or other material issued by us or by any other persons at our instance and anyone placing reliance on any other source of information would be doing so at his own risk.

Our Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer with SEBI.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

Investors who invest in the Issue will be deemed to have represented to our Company and Lead Manager, and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice/ evaluation as to their ability and quantum of investment in the Issue.

The Lead Manager and its affiliates may engage in transactions with, and perform services for, our Company and our Group Entities or affiliates in the ordinary course of business and have engaged, or may in the future engage, in

transactions with our Company and our Group Entities or affiliates, for which they have received, and may in the future receive, compensation.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian Laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Gurugram, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue will be BSE.

Disclaimer Clause of the BSE
As required, a copy of the Draft Letter of Offer has been submitted to BSE (the designated stock exchange). The disclaimer clause as intimated by the BSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchanges.
Disclaimer Clause of NSE

As required, a copy of the Draft Letter of Offer has been submitted to the NSE. The disclaimer clause as intimated by the NSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchanges.

Selling restrictions

The distribution of the Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by the legal requirements prevailing in those jurisdictions. Persons into whose possession of the Letter of Offer may come are required to inform themselves about and observe such restrictions. We are making this Issue of Equity Shares on a rights basis to our Eligible Equity Shareholders and will dispatch the Letter of Offer/Abridged Letter of Offer and CAFs to the Eligible Equity Shareholders who have provided an Indian address.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer is filed with SEBI for observations. Accordingly, the Rights Entitlement or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction.

Receipt of the Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, the Letter of Offer must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of the Letter of Offer should not, in connection with the issue of the Equity Shares, distribute or send the same in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If the Letter of Offer is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the rights referred to in the Letter of Offer.

Neither the delivery of the Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to this date.

Filing
The Draft Letter of Offer will be filed with SEBI at The Regional Director, 5th Floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi – 110 001 for its observations. SEBI has vide its letter [●] dated [●] issued its final observations and the Letter of Offer has been filed with the Designated Stock Exchange.

Listing
The existing Equity Shares are listed on the BSE & NSE. We will file in-principle approval application to obtain in-principle approval from the BSE & NSE in respect of the Equity Shares being offered in terms of the Issue.

If the permission to deal in and for an official quotation of the securities is not granted by the Stock Exchanges mentioned above, we shall forthwith repay, without interest, all monies received from applicants in pursuance of the Draft Letter of Offer.

We will issue and dispatch Allotment advice / share certificates / demat credit and / or letters of regret along with refund order or credit the allotted Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date.

If the subscription amount is not refunded within 15 days from the Issue Closing date, we shall be liable to pay interest for the period of delay, after such aforesaid 15 days, in accordance with the provisions of the Companies Act, 2013 and SEBI ICDR Regulations.

Consents

Consents in writing of the Promoter, Directors, Compliance Officer, Lead Manager to the Issue, Legal Counsel, Registrar to the Issue, Bankers to the Company, Statutory Auditors and Banker to the Issue to act in their respective capacities have been obtained and such consents have not been withdrawn up to the date of the Letter of Offer.

Expert opinion

Except for (i) the reports of the Statutory Auditors on the Restated Financial Information, and (ii) the Statement of Tax Benefits available to our Company and its Shareholders included in this Draft Letter of Offer, we have not obtained any expert opinions.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately ₹ [●] lakhs ([●]% of the Issue Size). The expenses of the Issue include, among others, fees of the Lead Manager, fees of the Registrar to the Issue, fees of the other advisors, printing and stationery expenses, advertising, travelling and marketing expenses and other expenses. The estimated Issue expenses are as follows:

(₹ in lakhs)

Particulars	Estimated Expenses (₹ in lakhs)	% of Estimated Issue size	% of Estimated Issue expenses
Fees of the Lead Manager, legal advisors, Registrar to the Issue, auditors, including out of pocket expenses	[●]	[●]	[●]
Printing and stationery, distribution, postage, Advertising and marketing expenses etc.	[●]	[●]	[●]
Other expenses (including fees payable to SEBI and Stock Exchange, etc.)	[●]	[●]	[●]
Total	[●]	[●]	[●]

Public or rights issues by our Company during the last five years

Our Company has not made a public issue or rights issue of Equity Shares in the last five years preceding the date of this Draft Letter of Offer.

Previous issues of securities otherwise than for cash

Except as disclosed in "*Capital Structure*" on page 34, our Company has not made any issue of securities for consideration otherwise than cash.

Commission or brokerage in previous issue of Equity Shares

No sum is been payable as commission or brokerage for any of our previous issue(s) of Equity Shares.

Previous capital issue during the previous three years by listed Promoter Group and Subsidiaries of our Company

None of our Subsidiaries are listed. None of our Promoter Group have made any public or rights issue during the last three years.

Outstanding debentures, bonds, redeemable preference shares or other instruments

Except as disclosed in the Offer Document, our Company does not have any outstanding debentures, bonds, redeemable preference shares or other instruments as of the date of this Draft Letter of Offer.

Investor Grievances and Redressal System
We have adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Regulations.

Our Company has a Stakeholders Relationship Committee which meets as and when required, to deal and monitor redressal of complaints from shareholders. Generally, the investor grievances are dealt within five days of the receipt of the complaint. MCS Share Transfer Agents Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Compliance Officer.

Our Board has constituted the Stakeholders Relationship Committee. This committee currently comprises of 3 members, namely Mr. Alok Perti, Mr. Gautam Kanjilal and Ms. Pushpa Chowdhary. Our Stakeholders Relationship Committee oversees the reports received from the registrar and transfer agent and facilitates the prompt and effective resolution of complaints from our shareholders and investors. Its broad terms of reference include:

- Redressal of Equity Shareholder and Investor complaints including, but not limited to non-receipt of share certificates, transfer of Equity Shares and issue of duplicate share certificates, non-receipt of balance sheet, non-receipt of declared dividends, etc. and
- Monitoring transfers, transmissions, dematerialization, rematerialization, splitting and consolidation of shares issued by our Company.

Status of Shareholders Complaints
(a) No. of shareholders complaints outstanding as on May 31, 2017: Nil
(b) Status of the pending complaints: Not applicable

Investor Grievances arising out of the Issue
Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue. The Registrar to the Issue will have a separate team of personnel handling only our post-Issue correspondence.

Our agreement with the Registrar to the Issue provides for retention of records with the Registrar for a period of at least three years.

All grievances relating to the Issue may be addressed to the Registrar to the Issue or the SCSB in case of ASBA Applicants giving full details such as folio no. / demat account no. / name and address, contact telephone / cell numbers, email id of the first applicant, number of Equity Shares applied for, CAF serial number, amount paid on application and the name of the bank / SCSB and the branch where the CAF, or the plain paper Application, as the case may be, was deposited, alongwith a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The average time taken by the Registrar to the Issue for attending to routine grievances will be 15 working days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

Investors may contact the Registrar to the Issue at:

MCS Share Transfer Agents Limited
SEBI Regn. No.: INR000004108
F-65, 1st Floor, Okhla Industrial Area,
Phase I, New Delhi – 110 020
Tel.: +91 011 41406149
Fax: +91 011 41709881
E-mail: s.biswas@mcsregistrars.com / ajaysingh@mcsregistrars.com
Investor Grievance e-mail id: helpdeskdelhi@mcsregistrars.com
Website: www.mcsregistrars.com
Contact Person: Mr. Ajay Singh

Investors may contact the Compliance Officer at the below mentioned address and/ or Registrar to the Issue at the above mentioned address in case of any pre-Issue/ post -Issue related problems such as non receipt of allotment advice / share certificates / demat credit / refund orders etc.

Address of our Compliance Officer:

Mr. Nitin Gupta
Compliance Officer & Company Secretary
Shalimar Paints Limited
Stainless Centre, 4th floor,
Plot No. 50, Sector 32,
Gurgaon -122 003
Tel. No.: + 91 124 4616600
Fax No.: + 91 124 4616659
Email: nitin.gupta@shalimarpaints.com

Change in auditors during last three years
M/s. Chaturvedi & Partners, Chartered Accountants are the present auditors of our Company. The Board has approved the appointment of A.K Dubey & Co., Chartered Accountants as the Statutory Auditor on May 24, 2017 subject to the approval of shareholders in ensuing General Meeting.

Capitalisation of reserves or profits
Our Company has not capitalised reserves or profits during last five years.

Revaluation of assets
Our Company has not revalued its assets during last five years.

If we do not receive the minimum subscription of 90% in this Issue or if our Board fails to dispose off the unsubscribed Equity Shares in the manner as permitted under Section 62(1)(a)(iii), subject to receipt of requisite regulatory approvals, if any, after the Issue Closing Date or the subscription level falls below 90% after the Issue Closing Date on the account of cheques being returned unpaid or withdrawal of applications, we shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If the subscription amount is not refunded within 15 days from the Issue Closing date, we shall be liable to pay interest for the period of delay, after such aforesaid 15 days, in accordance with the provisions of the Companies Act, 2013 and SEBI ICDR Regulations.

OFFERING INFORMATION

The Equity Shares proposed to be issued are subject to the terms and conditions contained in the Letter of Offer, the Abridged Letter of Offer, the CAF enclosed with the Letter of Offer, the Memorandum and Articles of Association, the provisions of the Companies Act, FEMA, the SEBI Regulations, any other regulations, guidelines, notifications and regulations for issue of capital and for listing of securities issued by SEBI, RBI and/ or other statutory authorities and bodies from time to time, and the terms and conditions as stipulated in the Allotment advice or letters of Allotment or share certificate and rules as may be applicable and introduced from time to time. All rights/ obligations of Equity Shareholders in relation to Applications and refunds pertaining to the Issue shall apply to Renouncee(s) as well.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/ 2011 dated April 29, 2011, QIB applicants, Non Institutional Investors and other applicants whose application amount exceeds ₹ 2,00,000 can participate in the Issue only through the ASBA process. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors or (iii) investors whose application amount is more than ₹ 200,000, can participate in the Issue either through the ASBA process or the non ASBA process. Renouncees are not eligible ASBA investors and must only apply for the Rights Equity Shares through the non ASBA process irrespective of the application value. ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. For details, see "Procedure for Application through the Applications Supported by Blocked Amount ("ASBA") Process" on page 246 of the Letter of Offer.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public issues/rights issues and clear demarcated funds should be available in such account for ASBA applications.

Please note that in terms of the SEBI (Foreign Portfolio Investors) Regulations, 2014 ("**SEBI FPI Regulations**"), foreign institutional investor or qualified foreign investor who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995.

All rights/obligations of the Eligible Equity Shareholders in relation to application and refunds pertaining to the Issue shall apply to the Renouncee(s) as well.

Authority for the Issue
The Issue has been authorised by a resolution of our Board passed at its meeting held on April 07, 2017, pursuant to section 62 of the Companies Act.

Basis for the Issue
The Equity Shares are being offered for subscription for cash to those existing equity shareholders of our Company whose names appear, as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in the electronic form, and on the register of members of our Company in respect of Equity Shares held in the physical form at the close of business hours on the Record Date, i.e., [●], fixed in consultation with the Designated Stock Exchange.

Ranking of Equity Shares
The Equity Shares shall be subject to the Memorandum and Articles of Association. The Equity Shares allotted in the Issue shall rank *pari passu* with the existing Equity Shares in all respects, including payment of dividends.

Mode of Payment of Dividend
We shall pay dividends (in the event of declaration of such dividends) to our equity shareholders as per the provisions of the Companies Act and our Articles of Association.

The distribution of the Letter of Offer and the issue of the Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. We are making the issue of the Equity Shares on a rights basis to the Equity Shareholders and the Draft Letter of Offer, Abridged Letter of Offer and the CAFs will be dispatched only to those Equity Shareholders who have a registered address in India or who have provided an Indian address. Any person who acquires Rights Entitlements or the Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Draft Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States and in other restricted jurisdictions.

PRINCIPAL TERMS OF THE EQUITY SHARES ISSUED UNDER THE ISSUE

Face Value
Each Equity Share shall have the face value of ₹ 2 each.

Issue Price
Each Equity Share is being offered at a price of ₹ [●] (including a premium of ₹ [●] per Equity Share). The Issue Price has been arrived at by us in consultation with the Lead Manager.

Rights Entitlement Ratio
The Equity Shares are being offered on a rights basis to the existing equity shareholders of our Company in the ratio of [●] Equity Share for every [●] Equity Shares held as on the Record Date.

As your name appears as a beneficial owner in respect of Equity Shares held in the electronic form or appears in the register of members as an equity shareholder of our Company as on the Record Date, you are entitled to the number of Equity Shares as set out in Part A of the CAF enclosed with the Draft Letter of Offer.

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an Application to subscribe to the Issue on plain paper. For further details, see the section titled "Offering Information - Application on Plain Paper" on page 244 and 248 respectively.

Terms of payment
The entire amount of ₹ [●] per Equity Share is payable on application. Where an applicant has applied for additional Equity Shares and is allotted lesser number of Equity Shares than applied for, the excess Application Money paid shall be refunded. The monies would be refunded within 15 days from the Issue Closing Date. If the subscription amount is not refunded within 15 days from the Issue Closing date, we shall be liable to pay interest for the period of delay, after such aforesaid 15 days, in accordance with the provisions of the Companies Act, 2013 and SEBI ICDR Regulations.

Fractional Entitlements
For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored. Eligible Equity Shareholders whose fractional Rights Entitlements are being ignored would be given preferential consideration for the Allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their rights entitlement, if any. Additional Equity Shares allotted over and above the Rights Entitlement would be adjusted from the unsubscribed portion of the Issue, if any.

Those Equity Shareholders holding less than [●] Equity Shares will therefore be entitled to zero Equity Shares under this Issue and shall be dispatched a CAF with zero entitlement. Such Equity Shareholders are entitled to apply for additional Equity Shares. However, they cannot renounce the same in favour of third parties. CAFs with zero entitlement will be non-negotiable/non-renounceable.

Arrangement for Odd Lot Equity Shares
Our Company has not made any arrangements for the disposal of odd lot Equity Shares arising out of the Issue. The Company will issue certificates of denomination equal to the number of Equity Shares being allotted to the Equity Shareholder.

Listing and trading of Rights Equity Shares proposed to be issued

Our existing Equity Shares are currently listed and traded on BSE (Scrip Code: 509874) and the NSE (Scrip Code: SHALPAINTS) under the ISIN – INE849C01026. The fully paid-up Rights Equity Shares proposed to be issued pursuant to the Issue shall, in terms of SEBI Circular No. CIR/MRD/DP/21/2012 dated August 2, 2012, be Allotted under a temporary ISIN shall be frozen till the time final listing and trading approval is granted by the Stock Exchange. Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading.

The listing and trading of the Equity Shares shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. Upon Allotment, the Equity Shares shall be traded on Stock Exchanges in the demat segment only.

The Rights Equity Shares allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within seven Working Days of finalization of Basis of Allotment. We have made an application for "in-principle" approval for listing of the Equity Shares to the BSE and the NSE and have received such approval from the BSE and the NSE pursuant to the letter numbers [●] and [●], dated [●] and [●], respectively.

Our Company will apply to the BSE and the NSE for final approval for the listing and trading of the Rights Equity Shares. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or that the price at which the Rights Equity Shares offered under the Issue will trade after listing on the Stock Exchanges.

Rights of the Equity Shareholder

Subject to applicable laws, Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability of shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association.

GENERAL TERMS OF THE ISSUE

Market lot

The Equity Shares of the Company is tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one.

In case of holding in physical form, the Company would issue to the allottees one certificate for the Equity Shares allotted to one folio ("Consolidated Certificate"). In respect of the Consolidated Certificate, the Company will, upon receipt of a request from the Equity Shareholder, split such Consolidated Certificate into smaller denomination within one month's time from the request of the Equity Shareholder in accordance with the provisions of the Articles of Association.

Joint-Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint-holders with benefits of survivorship subject to provisions contained in the Articles of Association.

Nomination facility

In terms of Section 72 of the Companies Act, 2013, nomination facility is available in case of Equity Shares. An applicant can nominate, by filling the relevant details in the CAF in the space provided for this purpose.

A sole Eligible Equity Shareholder or first Eligible Equity Shareholder, along with other joint Eligible Equity Shareholders being individual(s) may nominate any person(s) who, in the event of the death of the sole holder or all

the joint-holders, as the case may be, shall become entitled to the Equity Shares. A Person, being a nominee, becoming entitled to the Equity Shares by reason of the death of the original Eligible Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered holder of the Equity Shares. Where the nominee is a minor, the Eligible Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s), in the event of death of the said holder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Equity Share by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. When the Equity Share is held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the holders. Fresh nominations can be made only in the prescribed form available on request at our Registered and Corporate Office or such other person at such addresses as may be notified by our Company. The applicant can make the nomination by filling in the relevant portion of the CAF.

Only one nomination would be applicable for one folio. Hence, in case the Eligible Equity Shareholder(s) has already registered the nomination with our Company, no further nomination needs to be made for Equity Shares to be allotted in the Issue under the same folio. However, new nominations, if any, by the Eligible Equity Shareholder(s) shall operate in supersession of the previous nomination, if any.

In case the Allotment of Equity Shares is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in the Issue. Nominations registered with respective Depository Participant of the applicant would prevail. If the applicant wants to change the nomination, they are requested to inform their respective Depository Participant.

Notices

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English National Daily and one Hindi National Daily with wide circulation (including the place where our Registered Office is situated) and/ or will be sent by ordinary post or registered post or speed post to the registered address of the Equity Shareholders in India as updated with the Depositories/ registered with the Registrar and Transfer Agent from time to time.

Subscription by the Promoter/Promoter Group

Our Promoters have confirmed, on behalf of the Promoter Group, vide their letter dated June 02, 2017 that they intend to subscribe to the full extent of their Rights Entitlement in the Issue, in compliance with regulation 10(4) of the SEBI Takeover Regulations.

Our Promoters have further confirmed vide their letter dated June 02, 2017 that, they intend to (i) subscribe for additional Equity Shares and (ii) subscribe for unsubscribed portion in the Issue, if any. Such subscription to additional Equity Shares and the unsubscribed portion, if any, to be made by the Promoter Group, shall be in accordance with regulation 10(4) of the SEBI Takeover Regulations. Their entitlement to subscribe to the Issue would be restricted to ensure that the public shareholding in the Company after the Issue does not fall below the permissible minimum level as specified in the applicable laws, including but not limited to, Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and entered with the Stock Exchanges and the Securities Contract (Regulations) Rules, 1957.

Procedure for Application

The CAF for Rights Equity Shares offered as a part of the Issue would be printed for all Eligible Equity Shareholders. In case the original CAFs are not received by the Eligible Equity Shareholders or is misplaced by the Eligible Equity Shareholders, the Eligible Equity Shareholders may request the Registrar to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID, Client ID and their full name and address. In case the signature of the Eligible Equity Shareholder(s) does not match with the specimen registered with us or the DP, the application is liable to be rejected.

Please note that neither our Company, nor the Lead Manager nor the Registrar shall be responsible for delay in the receipt of the CAF/ duplicate CAF attributable to postal delays or if the CAF/ duplicate CAF are misplaced in the transit. Eligible Shareholders should note that those who are making the application in such duplicate CAF should not utilize the original CAF for any purpose, including renunciation, even if the original CAF is received or found

subsequently. If any Eligible Shareholder violates any of these requirements, he/she shall face the risk of rejection of both applications.

Please note that in accordance with the provisions of the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011 QIB Applicants, Non-Institutional Investors and other Applicants whose application amount exceeds ₹ 2,00,000 complying with the eligibility conditions prescribed under the SEBI circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 must mandatorily participate in the Issue only through the ASBA process. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors or (iii) Investors whose application amount is more than ₹ 2,00,000, can participate in the Issue either through the ASBA process or the non ASBA process

Please also note that by virtue of the circular No. 14 dated September 16, 2003 issued by the RBI, erstwhile Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of Investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Eligible Shareholder being an erstwhile OCB is required to obtain prior approval from RBI for applying to the Issue.

CAF

The Registrar will dispatch the CAF to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date. Those Eligible Equity Shareholders who must apply or who wish to apply through the ASBA process and have complied with the parameters mentioned above will have to select the relevant mechanism in Part A of the CAF and provide necessary details.

Application in electronic mode will only be available with SCSBs. The Eligible Equity Shareholder shall submit the CAF to the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the Application in the said bank account maintained with the same SCSB.

Please note that no more than five Applications (including CAF and plain paper) can be submitted per bank account in the Issue. ASBA Investors are also advised to ensure that the CAF is correctly filled up, stating therein the bank account number maintained with the SCSB in which an amount equivalent to the amount payable on Application as stated in the CAF will be blocked by the SCSB.

The CAF consists of four parts:

- Part A: Form for accepting the Rights Equity Shares offered as a part of this Issue, in full or in part, and for applying for additional Rights Equity Shares;
- Part B: Form for renunciation of Rights Equity Shares;
- Part C: Form for application of Rights Equity Shares by Renouncee(s);
- Part D: Form for request for split Application forms.

Option available to the Eligible Equity Shareholders

The CAFs will clearly indicate the number of Rights Equity Shares that the Shareholder is entitled to. An Eligible Equity Shareholder can:

- Apply for his Rights Entitlement of Rights Equity Shares in full;
- Apply for his Rights Entitlement of Rights Equity Shares in part;
- Apply for his Rights Entitlement of Rights Equity Shares in part and renounce the other part of the Rights Equity Shares;
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Renounce his Rights Entitlement in full.

Acceptance of the Issue

You may accept the offer to participate and apply for the Rights Equity Shares, either in full or in part without renouncing the balance by filling Part A of the CAFs and submit the same along with the application money payable to the collection branches of the Banker to the Issue as mentioned on the reverse of the CAFs before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board in this regard. Investors at centres not covered by the branches of the Banker to the Issue can send their CAFs together with the cheque drawn at par on a local bank at Delhi/New Delhi, demand draft payable at Delhi/New Delhi to the Registrar to the Issue by registered post/ speed post so as to reach the Registrar to the Issue prior to the Issue Closing Date.

Please note that neither our Company nor the Lead Manager nor the Registrar to the Issue shall be responsible for delay in the receipt of the CAF attributable to postal delays or if the CAF is misplaced in transit. Such applications sent to anyone other than the Registrar to the Issue are liable to be rejected. For further details on the mode of payment, please see the headings "*Mode of Payment for Resident Eligible Equity Shareholders/ Investors*" and "*Mode of Payment for Non-Resident Eligible Equity Shareholders/ Investors*" on page 262.

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Rights Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of our Board, subject to sectoral caps and prescribed limits as per applicable laws and and in consultation if necessary with the Designated Stock Exchange.

If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF. Renouncee(s) applying for all the Rights Equity Shares renounced in their favour may also apply for additional Rights Equity Shares by indicating the details of additional Rights Equity Shares applied in place provided for additional Rights Equity Shares in Part C of CAF. In terms of Regulation 6 of Notification No. FEMA 20 12000-RB dated May 3, 2000, as amended from time to time, only the existing Non-Resident shareholders may subscribe for additional equity shares over and above the equity shares offered on rights basis by our Company.

Where the number of additional Rights Equity Shares applied for exceeds the number of Rights Equity Shares available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Renunciation

This Issue includes a right exercisable by you to renounce the Rights Equity Shares offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that we shall not Allot and/ or register the Rights Equity Shares in favour of more than three persons (including joint holders), partnership firm(s) or their nominee(s), minors, HUF, any trust or society (unless the same is registered under the Societies Registration Act, 1860 or the Indian Trust Act, 1882 or any other applicable law relating to societies or trusts and is authorized under its constitution or bye-laws to hold Equity Shares, as the case may be). Additionally, existing Eligible Equity Shareholders may not renounce in favour of persons or entities in the U.S., or to, or for the account or benefit of a "U.S. Person" (as defined in Regulation S), or who would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities laws.

Any renunciation other than as stated above is subject to the renouncer(s)/renouncee(s) obtaining the approval of the FIPB and/or necessary permission of the RBI under the FEMA and such permissions should be attached to the CAF or SAF. In case of Applications which are not accompanied by the aforesaid approvals, our Board reserves the right to reject such CAF or SAF.

Renunciations by OCBs

By virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, OCBs have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly, the existing Eligible Equity Shareholders who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not renounce the same (whether for consideration or otherwise) in favour of OCB(s).

The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/ 2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. Shareholders renouncing their rights in favour of OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such approval to us at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the CAF.

Part 'A' of the CAF must not be used by any person(s) other than those in whose favour this Issue has been made. If used, this will render the application invalid. Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part 'B' of the CAF) duly filled in shall be conclusive evidence for us of the fact of renouncement to the person(s) applying for Rights Equity Shares in Part 'C' of the CAF for the purposes of Allotment of such Rights Equity Shares. The Renouncees applying for all the Rights Equity Shares renounced in their favour may also apply for additional Rights Equity Shares. Part 'A' of the CAF must not be used by the Renouncee(s) as this will render the application invalid. Renouncee(s) will have no further right to renounce any Rights Equity Shares in favour of any other person. In terms of Regulation 6 of Notification No. FEMA 20 12000-RB dated May 3, 2000, as amended from time to time, only the existing Non-Resident shareholders may subscribe for additional equity shares over and above the equity shares offered on rights basis by our Company.

The right of renunciation is subject to the express condition that our Board shall be entitled in its absolute discretion to reject the application from the Renouncees without assigning any reason thereof.

Procedure for renunciation

To renounce all the Rights Equity Shares offered to an Equity Shareholder in favour of one Renouncee

If you wish to renounce the Rights Entitlement indicated in Part 'A', in whole, please complete Part 'B' of the CAF. In case of joint holding, all joint holders must sign Part 'B' of the CAF. The person in whose favour renunciation has been made should complete and sign Part 'C' of the CAF. In case of joint Renouncees, all joint Renouncees must sign Part 'C' of the CAF.

To renounce in part/ or renounce the whole to more than one person(s)

If you wish to either accept this offer in part and renounce the balance or renounce the entire Rights Entitlement under this Issue in favour of two or more Renouncees, the CAF must be first split into requisite number of SAFs. Please indicate your requirement of SAFs in the space provided for this purpose in Part 'D' of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs as mentioned herein. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Eligible Equity Shareholder(s), who has renounced the Rights Equity Shares, does not match with the specimen registered with us/ Depositories, the application is liable to be rejected.

Renouncee(s)

The person(s) in whose favour the Equity Shares are renounced should fill in and sign Part 'C' of the CAF and submit the entire CAF to the Banker to the Issue or to any of the collection branches of the Bankers to the Issue as mentioned in the reverse of the CAF on or before the Issue Closing Date along with the application money in full. The Renouncee cannot further renounce.

Change and/ or introduction of additional holders

If you wish to apply for the Rights Equity Shares jointly with any other person(s), not more than three (including you), who is/ are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that our Board shall be entitled in its absolute discretion to reject the request for Allotment from the Renouncee(s) without assigning any reason thereof.

Instructions for Options

The summary of options available to the Eligible Equity Shareholder is presented below. You may exercise any of the following options with regard to the Rights Equity Shares offered, using the CAF:

S. No	Option Available	Action Required
(i)	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A (All joint holders must sign in the same sequence)
(ii)	Accept your Rights Entitlement in full and apply for additional Rights Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of Rights Entitlement and Block IV relating to additional Equity Shares (All joint holders must sign in the same sequence)
(iii)	Accept a part of your Rights Entitlement and renounce the balance to one or more Renouncee(s) OR Renounce your Rights Entitlement of all the Rights Equity Shares offered to you to more than one Renouncee	Fill in and sign Part D (all joint holders must sign in the same sequence) requesting for SAFs. Send the CAF to the Registrar to the Issue so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once. On receipt of the SAF take action as indicated below. For the Equity Shares you wish to accept, if any, fill in and sign Part A. For the Rights Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Equity Shares renounced and hand it over to the Renouncee. Each of the Renouncee should fill in and sign Part C for the Equity Shares accepted by them.
(iv)	Renounce your Rights Entitlement in full to one person (Joint Renouncees are considered as one)	Fill in and sign Part B (all joint holders must sign in the same sequence) indicating the number of Equity Shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C (All joint Renouncees must sign)
(v)	Introduce a joint holder or change the sequence of joint holders	This will be treated as a renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C.

In case of Rights Equity Shares held in physical form, applicants must provide information in the CAF as to their respective bank account numbers, name of the bank, to enable the Registrar to print the said details on the refund order. Failure to comply with this may lead to rejection of application. In case of Rights Equity Shares held in demat form, bank account details furnished by the Depositories will be printed on the refund order.
Please note that:

- Part 'A' of the CAF must not be used by any person(s) other than the Eligible Equity Shareholder to whom this Draft Letter of Offer has been addressed. If used, this will render the application invalid.
- Request for SAF should be made for a minimum of one Equity Share or, in either case, in multiples thereof, and one SAF for the balance corresponding Rights Equity Shares, if any.
- Request by the Eligible Equity Shareholder for the SAFs should reach the Registrar on or before [●].
- Only the Eligible Equity Shareholder to whom the Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.
- SAFs will be sent to the Eligible Equity Shareholder(s) by post at the Applicant's sole risk.
- Eligible Equity Shareholders may not renounce in favour of persons or entities in the restricted jurisdictions including the U.S. or to or for the account or benefit of a "U.S. Person" (as defined in Regulation S), or who would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities laws.
- Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part 'B' of the CAF) duly filled in shall be conclusive evidence for us of the person(s) applying for Rights Equity Shares in Part 'C' of the CAF to receive Allotment of such Rights Equity Shares.
- While applying for or renouncing their Rights Entitlement, joint Equity Shareholders must sign the CAF in the same order as per specimen signatures recorded with us or the Depositories.

- *Non-resident Eligible Equity Shareholders:* Application(s) received from Non-Resident/ NRIs, or persons of Indian origin residing abroad for allotment of Rights Equity Shares allotted as a part of this Issue shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, allotment of Rights Equity Shares, subsequent issue and allotment of Rights Equity Shares, interest, export of share certificates, etc. In case a Non-Resident or NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Applications not accompanied by the aforesaid approvals are liable to be rejected.
- Applicants must write their CAF number at the back of the cheque / demand draft.
- The RBI has mandated that CTS 2010 compliant cheques can only be presented in clearing hence the CAFs accompanied by non-CTS cheques could get rejected.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Eligible Equity Shareholder, the Registrar to the Issue will issue a duplicate CAF on the request of the Eligible Equity Shareholder who should furnish the registered folio number/ DP and Client ID number and his/ her full name and address to the Registrar to the Issue. Please note that the request for duplicate CAF should reach the Registrar to the Issue at least 7 days prior to the Issue Closing Date. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received/ found subsequently. If the Eligible Equity Shareholder violates such requirements, he/ she shall face the risk of rejection of either original CAF or both the applications.

Neither the Registrar nor the Lead Manager or our Company, shall be responsible for postal delays or loss of duplicate CAFs in transit, if any.

Application on Plain Paper (Non - ASBA)

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with account payee cheque drawn on a bank payable at par, pay order/demand draft (after deducting banking and postal charges) payable at Delhi/New Delhi which should be drawn in favour of "***Shalimar Paints Limited – Rights Issue - R***" in case of resident shareholders and non-resident shareholders applying on non-repatriable basis and in favour of "***Shalimar Paints Limited – Rights Issue – NR***" in case of non-resident shareholders applying on repatriable basis and send the same by registered post directly to the Registrar to the Issue so as to reach Registrar to the Issue on or before the Issue Closing Date. The envelope should be super scribed "***Shalimar Paints Limited – Rights Issue - R***" in case of resident shareholders and Non-resident shareholders applying on non-repatriable basis, and "***Shalimar Paints Limited – Rights Issue – NR***" in case of non-resident shareholders applying on repatriable basis.

- The application on plain paper, duly signed by the applicant(s) including joint holders, in the same order as per specimen recorded with us or the Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:
- Name of Issuer, being Shalimar Paints Limited;
- Name and address of the Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID no.;
- Number of Rights Equity Shares held as on Record Date;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount paid at the rate of ₹[●] per Rights Equity Share;
- Particulars of cheque/ demand draft;
- Savings/ current account number and name and address of the bank where the Eligible Equity Shareholder will be depositing the refund order. In case of Rights Equity Shares allotted in demat form, the bank account details will be obtained from the information available with the Depositories;

- Except for applications on behalf of the Central or State Government and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue; Documentary evidence for exemption to be provided by the applicants;
- Share certificate numbers and distinctive numbers of Rights Equity Shares, if held in physical form;
- Allotment option preferred - physical or demat form, if held in physical form;
- If the payment is made by a draft purchased from NRE/ FCNR/ NRO account, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account;
- Signature of the Applicant to appear in the same sequence and order as they appear in our records / Depositories; and
- For ASBA Investors, application on plain paper should have details of their ASBA Account.
- Additionally, all such applicants are deemed to have accepted the following:

"I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a "U.S. Person" as defined in Regulation S, and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.
I/ We acknowledge that the Company, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the Eligible Equity Shareholder violates such requirements, he/ she shall face the risk of rejection of both the applications. We shall refund such application amount to the Eligible Equity Shareholder without any interest thereon and no liability shall arise on part of our Company, Lead Manager and our Directors. In cases where multiple CAFs are submitted, including cases where an investor submits CAFs along with a plain paper application, such applications shall be liable to be rejected.
Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper application format will be available on the website of the Registrar to the Issue.

Last date for Application
The last date for submission of the duly filled in CAF is [●]. Our Board may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).
If the CAF together with the amount payable is not received by the Banker to the Issue/ Registrar to the Issue on or before the close of banking hours on the aforesaid last date or such date as may be extended by our Board or any authorised committee thereof, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and our Board or any authorised committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered.

PROCEDURE FOR APPLICATION THROUGH THE APPLICATIONS SUPPORTED BY BLOCKED AMOUNT ("ASBA") PROCESS

This section is for the information of the ASBA Investors proposing to subscribe to the Issue through the ASBA Process. The Lead Manager and we are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors who are eligible to apply under the ASBA Process are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

The Lead Manager, we, our Directors, Affiliates, Associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to applications accepted by SCSBs, applications uploaded by SCSBs, applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by SCSBs, the amount payable on application has been blocked in the relevant ASBA Account.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, all QIB Applicants, Non-Institutional Investors and other Applicants whose application amount exceeds ₹ 2,00,000, complying with the eligibility conditions of SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, can participate in the Issue only through the ASBA process. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors or (iii) Investors whose application amount is more than ₹ 2,00,000, can participate in the Issue either through the ASBA process or the non ASBA process. Renouncees are not eligible ASBA investors and must only apply for the Rights Equity Shares through the non ASBA process. ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please see "*General Terms of the Issue*" on page 238.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in their own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance with the applicable regulations.

Self-Certified Syndicate Banks

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA Process is provided on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html and/or such other website(s) as may be prescribed by the SEBI or Stock Exchange(s) from time to time. For details on Designated Branches of SCSBs collecting the CAF, please refer the above mentioned SEBI link.

Eligible Equity Shareholders who are eligible to apply under the ASBA Process

The option of applying for Rights Equity Shares through the ASBA Process is available only to the Eligible Equity Shareholders on the Record Date.

To qualify as ASBA Applicants, Eligible Equity Shareholders:

- are required to hold Rights Equity Shares in dematerialized form as on the Record Date and apply for: (i) their Rights Entitlement; or (ii) their Rights Entitlement and Rights Equity Shares in addition to their Rights Entitlement in dematerialized form;
- should not have renounced their Right Entitlement in full or in part;
- should not have split the CAF and further renounced it;
- should not be Renouncees;
- should apply through blocking of funds in bank accounts maintained with SCSBs; and
- are eligible under applicable securities laws to subscribe for the Rights Entitlement and the Rights Equity Shares in the Issue.

CAF

The Registrar will dispatch the CAF to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Eligible Equity Shareholders who must apply or who wish to apply through the ASBA will have to select for this ASBA payment mechanism in Part A of the CAF and provide necessary details.

Eligible Equity Shareholders desiring to use the ASBA Process are required to submit their applications by selecting the ASBA option in Part A of the CAF. Application in electronic mode will only be available with such SCSBs who provide such facility. The Eligible Equity Shareholder shall submit the CAF to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the ASBA Account.

More than one ASBA Investor may apply using the same ASBA Account, provided that SCSBs will not accept a total of more than five CAFs with respect to any single ASBA Account as provided for under the SEBI Circular dated December 30, 2009.

Acceptance of the Issue under the ASBA process
You may accept the Issue and apply for the Rights Equity Shares either in full or in part, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA option in Part A of the CAF and submit the same to the Designated Branch of the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board or any committee thereof in this regard.

Mode of payment under the ASBA process
The Eligible Equity Shareholder applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in an ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the CAF until it receives instructions from the Registrar. Upon receipt of instructions from the Registrar, the SCSBs shall transfer amount to the extent of Rights Equity Shares allotted in the Rights Issue as per the Registrar's instruction from the ASBA Account. This amount will be transferred in terms of the SEBI ICDR Regulations, into the separate bank account maintained by our Company for the purpose of the Issue. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar and the Lead Manager to the respective SCSB.

The Eligible Equity Shareholders applying under the ASBA Process would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the CAF.

The SCSB may reject the application at the time of acceptance of CAF if the ASBA Account, details of which have been provided by the Equity Shareholder in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the application by the SCSB, we would have a right to reject the application only on technical grounds.
A Retail Individual Investor applying for a value of up to ₹2,00,000, can participate in the Issue either through the ASBA process or non-ASBA process.

Options available to the Eligible Equity Shareholders applying under the ASBA Process
The summary of options available to the Eligible Equity Shareholders is presented below. You may exercise any of the following options with regard to the Rights Equity Shares, using the respective CAFs received from Registrar:

	Option Available	**Action Required**
1.	Accept whole or part of your Rights Entitlement without renouncing the balance	Fill in and sign Part A of the CAF (All joint holders must sign)
2.	Accept your Rights Entitlement in full and apply for additional Rights Equity Shares	Fill in and sign Part A of the CAF including Block III relating to the acceptance of entitlement and Block IV relating to additional Rights Equity Shares (All joint holders must sign)

The Eligible Equity Shareholders applying under the ASBA Process will need to select the ASBA process option in the CAF and provide required necessary details. However, in cases where this option is not selected, but the CAF is tendered to the designated branch of the SCSBs with the relevant details required under the ASBA process option and the SCSBs block the requisite amount, then that CAF would be treated as if the Eligible Equity Shareholder has selected to apply through the ASBA process option.

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above the number of Rights Equity Shares that you are entitled to, provided that you are eligible to apply for the Rights Equity Shares under applicable law and you have applied for all the Rights Equity Shares (as the case may be) offered without renouncing them in whole or in part in favour of any other person(s). Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made at the sole discretion of our Board, in consultation with the Designated Stock Exchange and in the manner prescribed under "*Terms of the Issue*" on page 238.

If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF. The Renouncee applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares.

Renunciation under the ASBA Process

ASBA Investors can neither be Renouncees, nor can renounce their Rights Entitlement.

Application on Plain Paper under the ASBA process

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper. The Equity Shareholder shall submit the plain paper application to the Designated Branch of SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper from any address outside India will not be accepted.

The envelope should be super scribed "***Shalimar Paints Limited – Rights Issue- R***" or "***Shalimar Paints Limited – Rights Issue- NR***", as the case may be. The application on plain paper, duly signed by the Investors including joint holders, in the same order as per the specimen recorded with us or the Depositories, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of Issuer, being Shalimar Paints Limited;
- Name and address of the Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID no.;
- Certificate numbers and distinctive numbers of Rights Equity Shares, if held in physical form;
- Number of Rights Equity Shares held as on Record Date;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount to be paid at the rate of ₹[●] per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of non-resident investors, details of the NRE/ FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for applications on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts (subject to submitting sufficient documentary evidence in support of their claim for exemption, provided that such transactions are undertaken on behalf of the Central and State Government and not in their personal capacity), PAN of the Investor and for each Investor in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue;
- Signature of the Shareholders to appear in the same sequence and order as they appear in our records or depositories records; and
- Additionally, all such applicants are deemed to have accepted the following:

"I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.
I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a "U.S. Person" as defined in ("**Regulation S**"), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the Investor violates such requirements, he/she shall face the risk of rejection of both the applications. We shall refund such application amount to the Investor without any interest thereon.

Option to receive Rights Equity Shares in Dematerialized Form

ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE RIGHTS EQUITY SHARES ARE HELD BY SUCH ASBA APPLICANT ON THE RECORD DATE.

General instructions for Eligible Equity Shareholders applying under the ASBA Process

1) Please read the instructions printed on the CAF carefully.

2) Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of this Draft Letter of Offer and the Abridged Letter of Offer are liable to be rejected. The CAF must be filled in English. No correction of name, folio/DP client id etc., should be made in the printed CAF sent.

3) ASBA Applicants are required to select this mechanism in Part A of the CAF and provide necessary details, including details of the ASBA Account, authorizing the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the CAF, and including the signature of the ASBA Account holder if the ASBA Account holder is different from the Applicant.

4) The CAF/plain paper application in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose ASBA Account/ bank account details are provided in the CAF and not to the Banker to the Issue/ Collecting Banks (assuming that such Collecting Bank is not a SCSB), to us or Registrar or Lead Manager to the Issue.

5) All applicants, and in the case of application in joint names, each of the joint applicants, should mention his/ her PAN allotted under the IT Act, irrespective of the amount of the application. Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, **CAFs without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no allotment and credit of Rights Equity Shares shall be made into the accounts of such Investors.**

6) All payments will be made by blocking the amount in the ASBA Account. Cash payment or payment by cheque/ demand draft/ pay order is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

7) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Eligible Equity Shareholders must sign the CAF as per the specimen signature recorded with us and/ or Depositories.

8) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with the depository/ us. In case of joint applicants, reference, if any, will be made in the first applicant's name and all communication will be addressed to the first applicant.

9) All communication in connection with application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of Allotment in this Issue quoting the name of the first/ sole applicant Equity Shareholder, folio numbers and CAF number.

10) Only the person or persons to whom the Rights Equity Shares have been offered and not renouncee(s) shall be eligible to participate under the ASBA process.

11) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.

12) Only the Eligible Equity Shareholders holding shares in demat are eligible to participate through ASBA process.

13) Eligible Equity Shareholders who have renounced their entitlement in part/ full are not entitled to apply using ASBA process.

14) Please note that subject to SCSBs complying with the requirements of SEBI circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

15) In case of non - receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under the heading "*Application on Plain Paper*" on page 244 and 248.

Do's:

1) Ensure compliance with eligibility conditions prescribed under the SEBI circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009.
2) Ensure that the ASBA Process option is selected in part A of the CAF and necessary details are filled in.
3) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Rights Equity Shares will be allotted in the dematerialized form only.
4) Ensure that the CAFs are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the CAF.
5) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares as the case may be applied for} X {Issue Price of Rights Equity Shares, as the case may be}) available in the ASBA Account mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.
6) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF, in the ASBA Account, of which details are provided in the CAF and have signed the same.
7) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the CAF in physical form.
8) Except for CAFs submitted on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, each applicant should mention their PAN allotted under the Income Tax Act.
9) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.
10) Ensure that the Demographic Details are updated, true and correct, in all respects.
11) Ensure that the account holder in whose bank account the funds are to be blocked has signed authorising such funds to be blocked.
12) Apply under ASBA process only if you comply with the definition of an ASBA Investor.

Don't's:

- Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.
- Do not pay the amount payable on application in cash, by money order, by pay order or by postal order.
- Do not send your physical CAFs to the Lead Manager/ Registrar/ Collecting Banks (assuming that such Collecting Bank is not a SCSB)/ to a branch of the SCSB which is not a Designated Branch of the SCSB/ Company; instead submit the same to a Designated Branch of the SCSB only.
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- Do not apply if the ASBA account has already been used for five Eligible Equity Shareholders.
- Do not apply through the ASBA Process if you are not an ASBA Investor.
- Do not instruct the SCSBs to release the funds blocked under the ASBA Process.

Grounds for Technical Rejections under the ASBA Process

In addition to the grounds listed under "Grounds for Technical Rejections for non-ASBA Investors" on page 259, applications under the ASBA Process are liable to be rejected on the following grounds:

- Application on a SAF
- Application for allotment of Rights Entitlements or additional Rights Equity Shares which are in physical form.
- DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.
- Submission of an ASBA application on plain paper to a person other than a SCSB.
- Sending CAF to a Lead Manager/ Registrar/ Collecting Bank (assuming that such Collecting Bank is not a SCSB)/ to a branch of a SCSB which is not a Designated Branch of the SCSB/ Company.
- Insufficient funds being available with the SCSB for blocking the amount.
- Funds in the bank account with the SCSB whose details have been mentioned in the CAF / Plain Paper Application having been frozen pursuant to regulatory order.
- ASBA Account holder not signing the CAF or declaration mentioned therein.
- CAFs which have evidence of being executed in/ dispatched from a restricted jurisdiction or executed by or for the account or benefit of a U.S. Person (as defined in Regulation S).
- Renouncees applying under the ASBA Process.
- Submission of more than five CAFs per ASBA Account.
- QIBs, Non-Institutional Investors and other Eligible Shareholders applying for Rights Equity Shares in the Issue for value of more than ₹ 2,00,000 who hold Equity Shares in dematerialised form and is not a renouncer or a Renouncee not applying through the ASBA process.
- The application by an Eligible Shareholder whose cumulative value of Rights Equity Shares applied for is more than ₹2,00,000 but has applied separately through split CAFs of less than ₹ 2,00,000 and has not done so through the ASBA process.
- Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application.
- Submitting the GIR number instead of the PAN.
- An investor, who is not complying with any or all of the conditions for being an ASBA Investor, applies under the ASBA process.
- Applications by persons not competent to contract under the Contract Act, 1872, as amended, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- Failure to mention an Indian address in the Application. Application with foreign address shall be liable to be rejected.
- If an Investor is (a) debarred by SEBI and/or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlement.
- ASBA Bids by SCSBs applying through the ASBA process on own account, other than through an ASBA Account in its own name with any other SCSB.

Depository account and bank details for Eligible Equity Shareholders applying under the ASBA Process

IT IS MANDATORY FOR ALL THE ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE RIGHTS EQUITY SHARES ARE HELD BY THE EQUITY SHAREHOLDER ON THE RECORD DATE. ALL ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF / PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Eligible Equity Shareholders applying under the ASBA Process should note that on the basis of name of these Eligible Equity Shareholders, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF / plain paper applications, as the case may be, the Registrar to the Issue will obtain from the Depository demographic details of these Eligible Equity Shareholders such as address, bank account details for printing on refund orders and occupation ("Demographic Details"). Hence, Eligible Equity Shareholders applying under the ASBA Process should carefully fill in their Depository Account details in the CAF.

These Demographic Details would be used for all correspondence with such Eligible Equity Shareholders including mailing of the letters intimating unblocking of their respective ASBA Accounts. The Demographic Details given by the Eligible Equity Shareholders in the CAF would not be used for any other purposes by the Registrar. Hence, Eligible Equity Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs, the Eligible Equity Shareholders applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Eligible Equity Shareholders (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such applications are liable to be rejected.

Issue Schedule

Issue Opening Date:	**[●]**
Last date for receiving requests for SAFs:	**[●]**
Issue Closing Date:	**[●]**

The Board may however decide to extend the Issue period, as it may determine from time to time, but not exceeding 30 days from the Issue Opening Date.

Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, CAF, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

i. Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/ have applied for Equity Shares renounced in their favour, in full or in part.

ii. Investors whose fractional entitlements are being ignored and Eligible Equity Shareholders with Zero entitlement would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Share. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (i) above. If number of Equity Shares required for Allotment under this head are more than number of Equity Shares available after Allotment under (i) above, the Allotment would be made on a fair and equitable

basis in consultation with the Designated Stock Exchange, as a part of Issue and will not be a preferential allotment.

iii. Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of the Issue and have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there is an unsubscribed portion after making full Allotment in (i) and (ii) above. The Allotment of such Equity Shares will be at the sole discretion of our Board/Committee in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

iv. Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (i), (ii) and (iii) above. The Allotment of such Equity Shares will be at the sole discretion of our Board/ Committee of Directors in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

v. Allotment to any other person that the Board as it may deem fit provided there is surplus available after making Allotment under (i), (ii), (iii) and (iv) above, and the decision of the Board in this regard shall be final and binding.

Our Promoter, vide letter dated June 02, 2017, has confirmed that they intend to subscribe to their Rights Entitlement in full in the Issue, in compliance with regulation 10(4) of the SEBI Takeover Regulations and may subscribe to additional Rights Equity Shares (including any unsubscribed portion of the Issue), subject to their total investment in the Issue including subscription towards Rights Entitlement.

Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) shall be exempt in terms of Regulation 10 (4) (a) and (b) of the SEBI Takeover Regulations subject to fulfilment of conditions mentioned therein and shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations.

After taking into account Allotment to be made under (i) to (iv) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Equity Shares in the Issue, along with:

1) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Investors;
2) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3) The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Underwriting

The issue is proposed not to be underwritten.

Allotment Advices/ Refund Orders

Our Company will issue and dispatch allotment advice/ share certificates/ demat credit and/ or letters of regret along with refund order or credit the allotted Equity Shares to the respective beneficiary accounts, if any, within 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

Investors residing at centres where clearing houses are managed by the Reserve Bank of India ("RBI"), payment of refund would be done through NACH except where Investors have not provided the details required to send electronic refunds.

In case of those Investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, advice regarding their credit of the Rights Equity Shares shall be given separately.

Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

In case of those Investors who have opted to receive their Rights Entitlement in physical form and our Company issues letter of allotment, the corresponding Rights Equity Share certificates will be kept ready within two months from the date of Allotment thereof under section 56 of the Companies Act or other applicable provisions, if any. Investors are requested to preserve such letters of allotment, which would be exchanged later for the Rights Equity Share certificates.

The letter of allotment/ refund order would be sent by registered post/ speed post to the sole/ first Investor's registered address in India or the Indian address provided by the Eligible Equity Shareholders from time to time. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favour of the sole/ first Investor. Adequate funds would be made available to the Registrar to the Issue for this purpose.

Our Company shall ensure at par facility is provided for encashment of refund orders or pay orders at the places where applications are accepted.

As regards allotment/refund to Non-residents, the following further conditions shall apply:

In the case of Non-resident Shareholders or Investors who remit their Application Money from funds held in NRE/FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts, the details of which should be furnished in the CAF. Subject to the applicable laws and other approvals, in case of Non-resident Shareholders or Investors who remit their application money through Indian Rupee demand drafts purchased from abroad, refund and/or payment of dividend or interest and any other disbursement, shall be credited to such accounts and will be made after deducting bank charges or commission in US Dollars, at the rate of exchange prevailing at such time. Our Company will not be responsible for any loss on account of exchange rate fluctuations for conversion of the Indian Rupee amount into US Dollars. The Share Certificate(s) will be sent by registered post / speed post to the address in India of the Non-Resident Shareholders or Investors.

The Letter of Offer/ Abridged Letter of Offer and the CAF shall be dispatched to only such Non-resident Shareholders who have a registered address in India or have provided an Indian address.

Payment of Refund

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription, would be done through any of the following modes:

1 NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

2 National Electronic Fund Transfer ("NEFT") - Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

3 Direct Credit - Investors having bank accounts with the Banker to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

4 RTGS - If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the CAF. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

5 For all other Investors the refund orders will be dispatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.

6 Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

Refund payment to Non- resident

Where applications are accompanied by Indian rupee drafts purchased abroad and payable at Delhi/New Delhi, refunds will be made in the Indian rupees based on the U.S. dollars equivalent which ought to be refunded. Indian rupees will be converted into U.S. dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned applicant and our Company shall not bear any part of the risk.

Where the applications made are accompanied by NRE/FCNR/NRO cheques, refunds will be credited to NRE/FCNR/NRO accounts respectively, on which such cheques were drawn and details of which were provided in the CAF.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders/ refund warrants which can then be deposited only in the account specified. We will in no way be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice/ Share Certificates/ Demat Credit

Allotment advice/ Share Certificates/ demat credit or letters of regret will be dispatched to the registered address of the first named Investor or respective beneficiary accounts will be credited within the timeline prescribed under applicable law. In case our Company issues Allotment advice, the respective Share Certificates will be dispatched within one month from the date of the Allotment. Allottees are requested to preserve such allotment advice (if any) to be exchanged later for Share Certificates.

Option to receive Equity Shares in Dematerialized Form

Investors shall be allotted the Equity Shares in dematerialized (electronic) form at the option of the Investor. We have signed a tripartite agreement with NSDL and the Registrar to the Issue on October 09, 2015, which enables the Investors to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates. We have also signed a tripartite agreement with CDSL and the Registrar to the Issue on August 31, 2015, which enables the Investors to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

In this Issue, the Allottees who have opted for Rights Equity Shares in dematerialized form will receive their Rights Equity Shares in the form of an electronic credit to their beneficiary account as given in the CAF, after verification with a depository participant. Investor will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice, refund order (if any) would be sent directly to the Investor by the Registrar to the Issue but the Investor's depository participant will provide to him the confirmation of the credit of such Equity Shares

to the Investor's depository account. CAFs, which do not accurately contain this information, will be given the Equity Shares in physical form. No separate CAFs for Equity Shares in physical and/ or dematerialized form should be made. If such CAFs are made, the CAFs for physical Rights Equity Shares will be treated as multiple CAFs and is liable to be rejected. In case of partial Allotment, Allotment will be done in demat option for the Rights Equity Shares sought in demat and balance, if any, will be allotted in physical Rights Equity Shares. Eligible Shareholders of our Company holding Equity Shares in physical form may opt to receive Rights Equity Shares in the Issue in dematerialized form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the electronic form is as under:

- Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in our records. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in our records). In case of Investors having various folios with different joint holders, the Investors will have to open separate accounts for such holdings. Those Eligible Equity Shareholders who have already opened such beneficiary account(s) need not adhere to this step.

- For Eligible Equity Shareholders already holding Equity Shares in dematerialized form as on the Record Date, the beneficiary account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Equity Shares by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Equity Shares arising out of this Issue may be made in dematerialized form even
  if the original Equity Shares are not dematerialized. Nonetheless, it should be ensured that the depository account is in the name(s) of the Eligible Equity Shareholders and the names are in the same order as in our records.

- The responsibility for correctness of information (including Investor's age and other details) filled in the CAF vis-à-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in CAF should be the same as registered with the Investor's depository participant.

- If incomplete / incorrect beneficiary account details are given in the CAF, the Investor will get Rights Equity Shares in physical form.

- The Rights Equity Shares allotted to applicants opting for issue in dematerialized form, would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the applicant by the Registrar to the Issue but the applicant's depository participant will provide to the applicant the confirmation of the credit of such Equity Shares to the applicant's depository account. It may be noted that Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL.

- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the application is liable to be rejected.

- Non-transferable allotment advice/refund orders will be directly sent to the Investors by the Registrar.

- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Eligible Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

General instructions for non-ASBA Investors

(i) Please read the instructions printed on the CAF carefully.

(ii) Applicants that are not QIBs or are not Non – Institutional Investor or those who's Application Money does not exceed ₹200,000 may participate in the Issue either through ASBA or the non-ASBA process. Eligible Equity Shareholders who have renounced their entitlement (in full or in part), Renouncees and Applicants holding Equity Shares in physical form and/or subscribing in the Issue for Allotment in physical form may participate in the Issue only through the non ASBA process.

(iii) Application should be made on the printed CAF, provided by us except as mentioned under the head "Application on Plain Paper" on page 244 and 248 and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of this Draft Letter of Offer or Abridged Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Investors, details of occupation, address, father's/ husband's name must be filled in block letters.

(iv) Eligible Equity Shareholders participating in the Issue other than through ASBA are required to fill Part A of the CAF and submit the CAF along with Application Money before close of banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board in this regard. The CAF together with the cheque/ demand draft should be sent to the Banker to the Issue/ Collecting Bank or to the Registrar to the Issue and not to us or Lead Manager to the Issue. Investors residing at places other than cities where the branches of the Banker to the Issue have been authorised by us for collecting applications, will have to make payment by demand draft payable at Delhi/New delhi of an amount net of bank and postal charges and send their CAFs to the Registrar to the Issue by registered post/speed post. If any portion of the CAF is/ are detached or separated, such application is liable to be rejected. **CAF's received after banking hours on closure day will be liable for rejection.**

Applications where separate cheques/demand drafts are not attached for amounts to be paid for Equity Shares are liable to be rejected. Applications accompanied by cash, postal order or stockinvest are liable to be rejected.

(v) Except for applications on behalf of the Central and State Government, the residents of Sikkim and the officials appointed by the courts, all Investors, and in the case of application in joint names, each of the joint Investors, should mention his/ her PAN allotted under the Income Tax Act, irrespective of the amount of the application. CAFs without PAN will be considered incomplete and are liable to be rejected.

(vi) Investors, holding Equity Shares in physical form, are advised that it is mandatory to provide information as to their savings/current account number, the nine digit MICR number and the name of the bank with whom such account is held in the CAF to enable the Registrar to the Issue to print the said details in the refund orders, if any, after the names of the payees. Application not containing such details is liable to be rejected.

(vii) All payment should be made by cheque/ demand draft only. Application through the ASBA process as mentioned above is acceptable. Cash payment is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

(viii) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Eligible Equity Shareholders must sign the CAF as per the specimen signature recorded with us/ Depositories.

(ix) In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the application and certified true a copy of the Memorandum and Articles of Association and/ or bye laws of such body corporate or society must be lodged with the Registrar to the Issue giving reference of the serial number of the CAF. In case the above referred documents are already registered with us, the same need not be a furnished again. In case these papers are sent to any other entity besides the Registrar to

the Issue or are sent after the Issue Closing Date, then the application is liable to be rejected. In no case should these papers be attached to the application submitted to the Banker to the Issue.

(x) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with us or the Depositories. Further, in case of joint Investors who are Renouncees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.

(xi) Application(s) received from NRs/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA, including regulations relating to QFI's, in the matter of refund of application money, Allotment of Equity Shares, subsequent issue and Allotment of Equity Shares, interest, export of share certificates, etc. In case a NR or NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Additionally, applications will not be accepted from NRs/ NRIs in the U.S. or its territories and possessions, or any other jurisdiction where the offer or sale of the Rights Entitlements and Equity Shares may be restricted by applicable securities laws.

(xii) All communication in connection with application for the Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of Allotment in this Issue quoting the name of the first/ sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Eligible Equity Shareholders, after the date of Allotment, should be sent to our Registrar and Transfer Agent, in the case of Equity Shares held in physical form and to the respective depository participant, in case of Equity Shares held in dematerialized form.

(xiii) SAFs cannot be re-split.

(xiv) Only the Equity Shareholder(s) and not Renouncee(s) shall be entitled to obtain SAFs.

(xv) Investors must write their CAF number at the back of the cheque/ demand draft.

(xvi) Only one mode of payment per application should be used. The payment must be by cheque/ demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the Bankers Clearing House located at the centre indicated on the reverse of the CAF where the application is to be submitted.

(xvii) A separate cheque/ draft must accompany each CAF. Outstation cheques/ demand drafts or post-dated cheques and postal/ money orders will not be accepted and applications accompanied by such outstation cheques/ outstation demand drafts/ money orders or postal orders will be rejected.

(xviii) No receipt will be issued for application money received. The Banker to the Issue/ Collecting Bank/ Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.

(xix) The distribution of this Draft Letter of Offer and issue of Equity Shares and Rights Entitlements to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in such jurisdictions are instructed to disregard this Draft Letter of Offer and not to attempt to subscribe for Equity Shares.

(xx) Investors are requested to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

Do's for non-ASBA Investors:

- Check if you are eligible to apply i.e. you are an Equity Shareholder on the Record Date;
- Read all the instructions carefully and ensure that the cheque/ draft option is selected in Part A of the CAF and necessary details are filled in;
- In the event you hold Equity Shares in dematerialised form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only;

- Ensure that your Indian address is available with our Company and the Registrar, in case you hold Equity Shares in physical form or the depository participant, in case you hold Equity Shares in dematerialised form;
- Ensure that the value of the cheque/ draft submitted by you is equal to the {(number of Equity Shares applied for) X (Issue Price of Equity Shares, as the case may be)} before submission of the CAF. Investors residing at places other than cities where the branches of the Banker to the Issue have been authorised by us for collecting applications, will have to make payment by demand draft payable at Delhi/New Delhi of an amount net of bank and postal charges;
- Ensure that you receive an acknowledgement from the collection branch of the Banker to the Issue for your submission of the CAF in physical form;
- Ensure that you mention your PAN allotted under the Income Tax Act with the CAF, except for Applications on behalf of the Central and State Governments, residents of the state of Sikkim and officials appointed by the courts;
- Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF;
- Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts for non-ASBA Investors:

- Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction;
- Do not apply on duplicate CAF after you have submitted a CAF to a collection branch of the Banker to the Issue;
- Do not pay the amount payable on application in cash, by money order or by postal order;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit Application accompanied with Stock invest;

Grounds for Technical Rejections for non-ASBA Investors

Investors are advised to note that applications are liable to be rejected on technical grounds, including the following:

- Amount paid does not tally with the amount payable;
- Bank account details (for refund) are not given and the same are not available with the DP (in the case of dematerialized holdings) or the Registrar (in the case of physical holdings);
- Submission of CAFs to the SCSBs;
- Submission of plain paper Applications to any person other than the Registrar to the Issue;
- Age of Investor(s) not given (in case of Renouncees);
- Except for CAFs on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN not given for application of any value;
- In case of CAF under power of attorney or by limited companies, corporate, trust, relevant documents are not submitted;
- If the signature of the Equity Shareholder does not match with the one given on the CAF and for Renouncee(s) if the signature does not match with the records available with their Depositories;
- CAFs are not submitted by the Investors within the time prescribed as per the CAF and this Draft Letter of Offer;
- CAFs not duly signed by the sole/ joint Investors;
- CAFs/ SAFs by OCBs not accompanied by a copy of an RBI approval to apply in this Issue;
- CAFs accompanied by Stockinvest/ outstation cheques/ post-dated cheques/ money order/ postal order/ outstation demand draft;
- In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Investors (including the order of names of joint holders), the Depositary Participant's identity (DP ID) and the beneficiary's identity;
- CAFs that do not include the certifications set out in the CAF to the effect that the subscriber is not a "U.S. Person" (as defined in Regulation S) and does not have a registered address (and is not otherwise located) in the U.S. or other restricted jurisdictions and is authorized to acquire the Rights Entitlements and Equity Shares in compliance with all applicable laws and regulations;
- CAFs which have evidence of being executed in/ dispatched from restricted jurisdictions;

- CAFs by ineligible non-residents (including on account of restriction or prohibition under applicable local laws) and where the registered addressed in India has not been provided;
- CAFs where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements;
- In case the GIR number is submitted instead of the PAN;
- CAFs submitted by Renouncees where Part B of the CAF is incomplete or is unsigned. In case of joint holding, all joint holders must sign Part 'B' of the CAF;
- Applications by persons not competent to contract under the Contract Act, 1872, as amended, except bids by minors having valid demat accounts as per the demographic details provided by the Depositories.
- Applications by Renouncees who are persons not competent to contract under the Indian Contract Act, 1872, including minors;
- Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application; and
- Applications from QIBs, Non-Institutional Investors or Investors applying in this Issue for Equity Shares for an amount exceeding ₹200,000, not through ASBA process.
- Failure to mention an Indian address in the Application. Application with foreign address shall be liable to be rejected.
- If an Investor is debarred by SEBI and if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlement.
- Non – ASBA applications made by QIBs and Non – Institutional Investors.

Please read this Draft Letter of Offer or Abridged Letter of Offer and the instructions contained therein and in the CAF carefully, before filling the CAF. The instructions contained in the CAF are an integral part of this Draft Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in this Draft Letter of Offer or the CAF.

Investment by FPIs, FIIs and QFIs

SEBI, On January 07, 2014, notified the SEBI FPI Regulations pursuant to which FIIs, its sub-accounts and QFIs categories of investors were merged to form a new category called 'Foreign Portfolio Investors'. Prior to the notification of the SEBI FPI Regulations, portfolio investments by FIIs and sub-accounts were governed by SEBI under the FII Regulations and portfolio investments by QFIs were governed by various circulars issued by SEBI from time to time (QFI Circulars). Pursuant to the notification of the SEBI FPI Regulations, the FII Regulations were repealed and the QFI Circulars were rescinded.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an Investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our Company's post-Issue Equity Share Capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share Capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid up Equity Share Capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board followed by a special resolution passed by the Eligible Equity Shareholders of our Company.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

An FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account (other than a sub-account which is a foreign corporate or a foreign individual) may participate in the Issue, until expiry of its registration as an FII or sub-account or until it obtains a certificate of registration as an FPI, whichever is earlier. If the registration of an FII or sub-account has expired or is about to expire, such FII or sub-account may, subject to payment of conversion fees as applicable under the SEBI FPI Regulations, participate in the Issue. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

Further, in terms of the SEBI (FPI) Regulations, a QFI may continue to buy, sell or otherwise deal in securities, subject to the provisions of the SEBI (FPI) Regulations, until January 06, 2015 (or such other date as may be specified by SEBI) or until the QFI obtains a certificate of registration as FPI, whichever is earlier.

The existing individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid-up capital of an Indian company, respectively. In terms of the FEMA Regulations, a QFI shall not be eligible to invest as a QFI upon obtaining registration as an FPI. However, all investments made by a QFI in accordance with the regulations, prior to registration as an FPI shall continue to be valid and taken into account for computation of the aggregate limit.

Investment by NRIs

Investments by NRIs are governed by the Portfolio Investment Scheme under Regulation 5(3)(i) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended. Applications will not be accepted from NRIs in restricted jurisdictions.

NRI Applicants may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRI Applicants who intend to make payment through NRO accounts shall use the Application Form meant for resident Indians and shall not use the Application Forms meant for reserved category.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/ CFD/ DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs, Non- Institutional Investors or are applying in this Issue for Equity Shares for an amount exceeding ₹ 2,00,000 shall mandatorily make use of ASBA facility.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all applicants who are QIBs, Non-Institutional Investors or are applying in this Issue for Equity Shares for an amount exceeding ₹200,000 shall mandatorily make use of ASBA facility, subject to their fulfilling the eligibility conditions to be an ASBA Investor. Further, all QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹200,000, subject to their fulfilling the eligibility conditions to be an ASBA Investor.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI (Venture Capital Funds) Regulations, 1996, as amended ("SEBI VCF Regulations") and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended ("SEBI FVCI Regulations") prescribe, amongst other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 ("SEBI AIF Regulations") prescribe, amongst other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Mode of payment for Resident Eligible Equity Shareholders/ Investors

- All cheques/ drafts accompanying the CAF should be drawn in favour of "Shalimar Paints Limited – Rights Issue - R" crossed 'A/c Payee only' and should be submitted along with the CAF to the Banker to the Issue or to the Registrar to the Issue;
- Investors residing at places other than places where the bank collection centres have been opened by us for collecting applications, are requested to send their CAFs together with Demand Draft for the full application amount, net of bank and postal charges favouring the Banker to the Issue, crossed 'A/c Payee only' and marked "Shalimar Paints Limited – Rights Issue - R" payable at Delhi/New Delhi directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. We, the Lead Manager or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

Applications through mails should not be sent in any other manner except as mentioned above. The CAF along with the application money must not be sent to our Company or the Lead Manager. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Eligible Equity Shareholders/ Investors

As regards the application by non-resident Eligible Equity Shareholders/ Investors, the following conditions shall apply:

Individual non-resident Indian applicants who are permitted to subscribe for Equity Shares by applicable local securities laws can also obtain application forms from the following address:

MCS Share Transfer Agents Limited
SEBI Regn. No.: INR000004108
F-65, 1st Floor, Okhla Industrial Area,
Phase I, New Delhi – 110 020
Tel.: +91 011 41406149
Fax: +91 011 41709881
E-mail: s.biswas@mcsregistrars.com / ajaysingh@mcsregistrars.com
Investor Grievance e-mail id: helpdeskdelhi@mcsregistrars.com
Website: www.mcsregistrars.com
Contact Person: Mr. Ajay Singh

Note: The Letter of Offer/ Abridged Letter of Offer and CAFs to NRIs shall be sent only to their Indian address, if provided.

- Applications will not be accepted from non-resident from any jurisdiction where the offer or sale of the Rights Entitlements and Equity Shares may be restricted by applicable securities laws.
- All non-resident investors should draw the cheques/ demand drafts for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Banker to the Issue/ collection centres or to the Registrar to the Issue.
- Non-resident investors applying from places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with Demand Draft for the full application amount, net of bank and postal charges, and marked "Shalimar Paints Limited – Rights Issue - R" payable at Delhi/New Delhi directly to the Registrar to the Issue by registered
  post so as to reach them on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.
- Payment by non-residents must be made by demand draft payable at Delhi/New Delhi/cheque payable drawn on a bank account maintained at Delhi/New Delhi or funds remitted from abroad in any of the following ways:

Application with repatriation benefits

(i) By Indian Rupee drafts purchased from abroad and payable at Delhi/New Delhi or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate);

(ii) By local cheque / bank drafts remitted through normal banking channels or out of funds held in Non-Resident External Account (NRE) or FCNR Account maintained with banks authorized to deal in foreign currency in India, along with documentary evidence in support of remittance;

(iii) By Rupee draft purchased by debit to NRE/ FCNR Account maintained elsewhere in India and payable in Delhi/New Delhi;

(iv) FIIs/FPIs registered with SEBI must remit funds from special non-resident rupee deposit account;

(v) Non-resident investors applying with repatriation benefits should draw cheques/ drafts in favour of 'Shalimar Paints Limited – Rights Issue - NR' and must be crossed 'account payee only' for the full application amount;

(vi) Investors may note that where payment is made by drafts purchased from NRE/ FCNR accounts, as the case may be, an Account Debit Certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected.

Application without repatriation benefits

(i) As far as non-residents holding Equity Shares on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained in India or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Delhi/New Delhi. In such cases, the Allotment of Equity Shares will be on non-repatriation basis.

(ii) All cheques/ drafts submitted by non-residents applying on a non-repatriation basis should be drawn in favour of 'Shalimar Paints Limited – Rights Issue – R' and must be crossed 'account payee only' for the full application amount. The CAFs duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.

(iii) Investors may note that where payment is made by drafts purchased from NRE/ FCNR/ NRO accounts, as the case may be, an Account Debit Certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected.

(iv) New demat account shall be opened for holders who have had a change in status from resident Indian to NRI. Any application from a demat account which does not reflect the accurate status of the Applicant are liable to be rejected.

Notes:

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the I.T. Act.
- In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
- The CAF duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.
- In case of an application received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of section 38 of the Companies Act which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447".

Section 447 of the Companies Act provides for punishment for fraud which inter alia states punishment of imprisonment for a term which shall not be less than six month but which may extend to ten years and shall be liable to a fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Payment by Stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 5, 2003, the Stockinvest Scheme has been withdrawn. Hence, payment through Stockinvest would not be accepted in this Issue.

Disposal of application and application money

No acknowledgment will be issued for the application moneys received by us. However, the Banker to the Issue/ Registrar to the Issue/ Designated Branch of the SCSBs receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF. Our Board reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the application money received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on Rights Equity Shares allotted, will be refunded to the Investor within the timelines prescribed under applicable law. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law For further instructions, please read the CAF carefully.

Utilisation of Issue Proceeds

The Board of Directors declares that:

(a) All monies received out of the Issue shall be transferred to a separate bank account referred to in the Companies Act, 2013;

(b) Details of all monies utilized out of the Issue shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised till the time any of the Issue Proceeds remained unutilised;

(c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilized monies have been invested; and

(d) We may utilize the funds collected in the Issue only after finalisation of the Basis of Allotment.

Our undertakings

We undertake the following:

1. The complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken within 7 working days of finalisation of Basis of Allotment.
3. The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us.
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

5. The allotment of Equity Shares and dispatch of refund orders / share certificate and demat credit is completed within 15 days from the Issue Closing Date
6. The certificates of the securities / demat credit / refund orders to the non-resident Indians shall be dispatched within the specified time.
7. The Company agrees that it shall pay interest @ 15% p.a. if the allotment is not made and / or the refund orders are not dispatched to the investors within 15 days from the Issue Closure Date for the period of delay beyond 15 days.
8. No further issue of securities affecting equity capital of our Company shall be made till the securities issued/offered through the Draft Letter of Offer Issue are listed or till the application money are refunded on account of non-listing, under-subscription etc.
9. Adequate arrangements shall be made to collect all ASBA applications and to consider them similar to non-ASBA applications while finalising the Basis of Allotment.
10. At any given time there shall be only one denomination of Equity Shares.
11. We accept full responsibility for the accuracy of information given in the Draft Letter of Offer and confirm that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in the Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.
12. All information shall be made available by the Lead Manager and the Issuer to the Investors at large and no selective or additional information would be available for a section of the Investors in any manner whatsoever including at road shows, presentations, in research or sales reports etc.
13. We shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Minimum Subscription

If we do not receive the minimum subscription of 90% in this Issue or if our Board fails to dispose off the unsubscribed Equity Shares in the manner as permitted under Section 62(1)(a)(iii), subject to receipt of requisite regulatory approvals, if any, after the Issue Closing Date or the subscription level falls below 90% after the Issue Closing Date on the account of cheques being returned unpaid or withdrawal of applications, we shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If the subscription amount is not refunded within 15 days from the Issue Closing date, we shall be liable to pay interest for the period of delay, after such aforesaid 15 days, in accordance with the provisions of the Companies Act, 2013 and SEBI ICDR Regulations.

Important

- Please read the Draft Letter of Offer carefully before taking any action. The instructions contained in the accompanying CAF are an integral part of the conditions of the Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
- It is to be specifically noted that the Issue of Equity Shares is subject to the risk factors mentioned in the section titled "Risk Factors" on page 7 of the Draft Letter of Offer.
- All enquiries in connection with the Draft Letter of Offer or accompanying CAF and requests for Split Application Forms must be addressed (quoting the Registered Folio Number/ DP and Client ID number, the CAF number and the name of the first Eligible Equity Shareholder as mentioned on the CAF and super-scribed "Shalimar Paints Limited - Rights Issue" on the envelope) to the Registrar to the Issue at the following address:

MCS Share Transfer Agents Limited
SEBI Regn. No.: INR000004108
F-65, 1st Floor, Okhla Industrial Area,
Phase I, New Delhi – 110 020
Tel.: +91 011 41406149
Fax: +91 011 41709881
E-mail: s.biswas@mcsregistrars.com / ajaysingh@mcsregistrars.com
Investor Grievance e-mail id: helpdeskdelhi@mcsregistrars.com
Website: www.mcsregistrars.com
Contact Person: Mr. Ajay Singh

The Issue will be kept open for a minimum of 15 days unless extended, in which case it will be kept open for a maximum of 30 days.

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

The main provisions of the Articles of Association of our Company are given under:

(Adopted by Special Resolution passed at General Meeting of the Company held on 9th May, 1972)

PRELIMINARY

1. Subject as hereinafter provided the Regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013 shall apply to the Company.

Interpretation Clause

2. For purposes of these Articles, the following words and expressions, when capitalised, shall have the following meanings assigned to them:

* "Beneficial Owner" shall mean beneficial owner as defined in clause (a) of sub- section (1) of Section 2 of the Depositories Act, 1996.
* "Depositories Act, 1996" shall include any statutory modification on re-enactment thereof.
* "Depository" shall mean a Depository as defined under clause (e) of sub- section (1) of Section 2 of the Depositories Act, 1996.

"Dividend" shall include Bonus.

"In writing" and "written" shall include printed, lithograph, typewritten and visibly represented or reproduced by any other mode.

* *Inserted by Special Resolution Passed at the Annual General Meeting held on 7th December, 2000.*

** *The entire set of Articles has been replaced vide Special Resolution passed at the Annual General Meeting of the Company held on September 28, 2016.*

* "Member" means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of the Company and the beneficial owner(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

  "Month" shall mean calendar month.

  "Paid up" shall means paid up capital as defined under section 2(64) of the Companies Act, 2013.

  "Proxy" includes Attorney duly constituted under a Power of Attorney.

* "Record" includes the records maintained in the form of book or stored in a computer or in such other form as may be determined by regulations made by SEBI Board; and

  "Seal" shall mean the Common Seal of the Company.

  "Secretary" shall means a Company Secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 (56 of 1980) and who is appointed by a Company to perform the functions of a Company Secretary under this Act.

  "The Act" shall mean the Companies Act, 2013 and the Companies Act, 2013 or any statutory modification or re-enactment thereof from, time to time, and every other Act concerning joint stock companies for the time being in force and affecting the Company.

  "The Board of Directors" or 'the Board" shall mean the collective body of directors of the Company."The Company" shall mean Shalimar Paints Limited.

  "The Directors" shall mean the Directors for the time being of the Company.

  "The Managing Director" or "The Managing Directors" shall mean the Managing Director or the Managing Directors for the time being of the Company.

  "The Office" shall mean the Registered Office for the time being of the Company.

* "The Register" shall mean a register and Index of Members maintained in accordance with all acceptable provisions of the Companies Act, 1956 and the Depositories Act, 1996 and the rules framed thereunder with the

details of shares held in material and dematerialised form in any media as may be permitted by law including any form of electronic media.

"The Registrar" shall mean the Registrar of Companies, . NCT of Delhi and Haryana.

"Year" shall mean calendar year and "financial year" shall have the same meaning assigned thereto by or under the Companies Act, 2013.

Words and expressions which have a special meaning assigned to them in the Act shall have the same meaning in these Articles.

Words importing the singular number only shall include the plural, and the converse shall also apply.

Words importing males shall include females.

Words importing individuals shall include corporations.

∗ Inserted by Special Resolution passed at the Annual General Meeting held on 7th December, 2000.

Buyback of Securities

*3 The Company shall have power, subject to and in accordance with all applicable provisions of the Act to purchase any of its own fully paid shares or other specified securities whether or not they are redeemable and may make a payment out of its free reserves or securities premium account of the Company or proceeds of any shares or other specified securities provided that, no buy- back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities; or from such other sources as may be permitted by law on such terms, conditions and in such manner as may be prescribed by the law from time to time in respect of such purchase.

SHARES

Division of Capital

**4 The authorised Share capital of the Company is Rs.8 crores (Rupees eight crores only) divided into 4,00,00,000 equity shares of Rs.2/- each.

Allotment of Shares

***5 Subject to the provisions hereinafter contained the shares shall be under the control of Board of Directors, who may, subject to the provisions of the Act, allot or otherwise dispose of the same to such persons, on such terms and conditions, and at such times, and for such consideration as it thinks fit. Provided always, that if the Board decides to increase the subscribed capital of the Company by allotment of further shares, it shall comply with the provisions of section 81 of the Act.

Option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.

Restriction on allotments

6. If the Company shall offer any of its shares to the public for subscription the amount payable on application on each share shall not be less than 5 per cent of the nominal amount of the shares.

Payment of commission and brokerage

7. The Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in, or debentures of, the Company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in, or debentures of, the Company, but so that if the commission in respect of the shares or debentures shall be paid or payable out of capital the statutory conditions and requirements shall be observed and complied with, and the amount or rate of commission shall not exceed 5 per cent of the price at which the said shares are issued and 2.5 per cent of the price at which the said debentures are issued. Such commission may be satisfied by the payment in cash, or by the

allotment of fully or partly paid shares or debentures, or partly in one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.

* Substituted by Special Resolution Passed at the Annual General Meeting held on 7th December, 2000.

** Authorised Share Capital of the Company increased to Rs.5 crores from Rs.2 crores by Ordinary Resolution Passed at the Annual General Meeting held on 3rd September, 1992 and further increased to Rs.8 crores by Ordinary Resolution Passed at the Annual General Meeting held on 22nd December, 1995.

*** Substituted by Special Resolution Passed at the Annual General Meeting held on 19th June, 1987.

Payment of interest out of capital

8. Where many shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of such share capital as is for the time being paid up, for the period and subject to the conditions and restrictions mentioned in sub- sections (3) to (7) of section 208 of the Act, and may charge the sum so paid by way of interest, to capital as part of the cost of construction of the works or building or the provision of the plant.

Shares at a discount

9. Except sweat equity shares, a Company shall not issue shares at a discount.

Redeemable preference Shares

10. The Company shall have power to issue preference shares which are, or at the option of the Company are to be liable, to be redeemed on any terms and in any manner permissible by the Act, and the Board may, subject to the provisions of the Act, exercise such power in any manner it thinks fit.

Instalments on shares to be duly paid

11. If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share.

Beneficial owner deemed as Absolute Owner

*12. Except as ordered by a court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of members as the holder of any share or where the name appears as the Beneficial Owner of shares in the records of the Depository as the absolute Owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in any share, (or except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Aricles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be entitled at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

Who may be registered

13. Shares may be registered in the name of any person or body corporate. Not more than four persons shall be registered as joint holders of any share.

CERTIFICATES

Certificates

**14 The certificates of the title to shares, and duplicates thereof when necessary, shall, unless the conditions of issue of any shares otherwise provide, be completed and ready for delivery within two months after allotment or within one of the receipt of the application for registration of the transfer of the shares, as the case may be.
Provided however, no Share Certificate(s) shall be issued for Shares held in a depository.

* Substituted by Special Resolution Passed at the Annual General Meeting held on 7th December, 2000.

** Substituted by Special Resolution Passed at the Annual General Meeting held on 19th June, 1987. Further amendment made by Special Resolution passed at the Annual General Meeting held on 7th December, 2000.

Members' right to certificate

15. Every member shall be entitled without payment to one certificate for all his shares of one class registered in his name or, in the case of shares of more than one class being registered in his name, to a separate certificate for each class of shares so registered. Every certificate shall specify the number and class of shares in respect of which it is issued and the denoting numbers of such shares and the amount paid up thereon respectively.

Company entitled to dematerialize/ rematerialize its shares

*15A. Notwithstanding anything contained in this Articles of Association, the Company shall be entitled to dematerialise its existing shares, rematerialize its shares held in the Depositories and/ or to offer its fresh shares in a dematerialise form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

Option for investor

*15 B. Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the Securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted by law, in respect of any Security in the manner provided by the Depositories Act, and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

*15C. If a person opts to hold a Security with a Depository, Company shall intimate such depository, the details of allotment of the Security and, on receipt of the information, the Depository shall enter its record the name of the allottee as the Beneficial Owner of the Security.

Additional Certificates

16. If any member shall require additional certificates he shall pay for each additional certificates a sum of Rs.2/- or such less sum as the Board may determine. The Board may waive such a charge.

Subdivision or Consolidation

17. No certificate shall be issued in exchange for a certificate on subdivision or consolidation unless the certificate in lieu of which it is issued is surrendered to the Company, and a fee not exceeding Rs.2/- for every certificate to be issued is paid to the Company, which the Board may waive.

** Notwithstanding anything contained hereinabove, the Board of Directors may refuse applications for sub- division or consolidation of share certificates into denominations of less than 25 except when such sub- division or consolidation is required to be made to comply with a statutory order or an order of a competent Court of Law.

Renewal of certificates

18. If any certificate be defaced, worn out, decrepit, mutilated or torn, then a new certificate may be issued in lieu thereof on payment of a fee not exceeding Rs.2/- as the Board may prescribe and on surrender of the certificate in lieu of which it is issued. The Board may waive such a fee.

Duplicate certificates

19. If any certificate be lost or destroyed, then a duplicate certificate may be issued in lieu thereof, with the prior consent of the Board, on payment of a fee not exceeding Rs.2/- as the Board may prescribe and on such terms as to satisfactory evidence about the loss or destruction of the certificate, indemnity and the payment of out-of-packet expenses incurred by the Company in investigating evidence, as the Board may think fit. The Board may waive such a fee.

* Inserted by Special Resolution Passed at the Annual General Meeting held on 7th December, 2000.

** Inserted by Special Resolution Passed at the Annual General Meeting held 19th June, 1987.

Sealing and signing of certificates

20. Every certificate shall be issued under the seal of the Company, which shall be affixed in the presence of (i) two Directors, one of them being a Director other than the Managing or Wholetime Director, and (ii) the Secretary or some other person appointed by the Board for the purpose, and the two Directors or their attorneys and Secretary or other person shall sign the certificate. A Director may sign a certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography, but not by means of a rubber stamp.

Debenture Certificate

21. Unless the terms and conditions of issue of any debentures or debenture stock otherwise provide, Clauses 14 to 20 above shall apply with respect to certificates for debentures or debenture stock.

JOINT HOLDERS OF SHARES

Joint Holders

22. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint tenants with benefit of survivorship, subject to the provision following:

Liability Several as well as Joint

(a) The joint holders of any share shall be liable, severally as well as jointly, in respect of all payments which ought to be made in respect of such share.

Survivors of joint holders recognized

(b) On death of any one such joint holders the survivor or survivors shall be the only person or persons recognized by the Company as having any title to such share; but nothing herein contained shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him.

Receipts

(c) Any one of such joint holders may give effectual receipts for any dividend, bonus or return of capital payable to such joint holders.

Who entitled to certificate, notice etc.

(d) Only the person whose name stands first in the register as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share, or to receive notices from the Company, and any notice given to such person shall be deemed notice to all the joint holders.

Voting

(e) Any one of the joint holders of any share for the time being conferring a right to vote may vote, either personally or by proxy, at any meeting in respect of such share as if he were solely entitled thereto, provided that if more than one of such joint holders be present at any meeting, either personally or by proxy, the person whose name stands first in the register as one of such holders, and no other, shall alone be entitled to vote in respect of the said share.

CALLS

Calls, how made

23. The Board may from time to time, subject to the terms on which any shares may have been issued and to the provisions of section 91of Act, by resolution passed at a meeting of the Board make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal amount of the shares or by way of premium), and not by the terms of issue thereof made payable at any fixed time, and each member shall, subject to receiving not less than fourteen days' notice in writing specifying the time and place for payment, pay to the Company at the time and place so specified the amount called on his shares. A call may be made payable by instalments. A Call may be revoked or postponed at the discretion of the Board.

When call deemed to be made

24. A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed.

Interest on Calls in arrear

25. If a call payable in respect of any share or any instalment of a call be not paid on or before the day appointed for payment thereof, the holder for the time being of such share shall be liable to pay interest on the same at such rate, not exceeding ten per cent per annum, as the Board shall determine, from the day appointed for the payment of such call or instalment to the time of actual payment; but the Board may, if it shall think fit, waive payment of such interest or any part thereof.

Instalments to be treated as calls

26. If by the terms of issue of any shares, or otherwise, any amount is made payable on allotment or at any fixed date, whether on account of the nominal value of the shares or by way of premium, every such amount shall be payable as if it were a call duly made by the Board, of which due notice had been given; and in case of non- payment all the provisions hereof with respect to payment of calls and interest thereon, forfeiture or otherwise shall apply to every such amount and the shares in respect of which it is payable.

Evidence in actions by Company against members

27. On the trial or hearing of any action or suit brought by the Company against any member or his representatives to recover any debt or money claimed to be due to the Company for any call made in respect of his shares, it shall be sufficient to prove that the name of the defendant is, or was when the claim arose, on the register as a holder, or one of the holders, of the number of shares in respect of which such claim is made; that the resolution making the call is duly recorded in the Minute Book; and that notice of such call was duly given to the member sued; and that the amount claimed is not entered as paid in the books of the Company; and it shall not be necessary to prove the appointment of the Directors who made any call, nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Payment in advance of calls

28. The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him; and upon any shares held by him; and upon all or any of the moneys so paid in advance the Board may (until the same would, but for such advance, become presently payable) pay interest at such rates (not exceeding, without the sanction of the Company in general meeting, six per cent per annum) as may be agreed upon between the member paying the moneys in advance and the Board. Money so paid in excess of the amount of calls shall not confer a right to dividend or otherwise to participate in profits. The Board may at any time repay the amount so advanced upon giving to such member three months notice in writing.

FORFEITURE AND LIEN

Notice requiring payment of call or instalment

29. If any member fails to pay any call or instalment on the day appointed for the payment of the same, the Board may, at any time thereafter during such time as the call or instalment remains unpaid, serve a notice on such member requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non- payment.

Form of Notice

30. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non- payable at or before the time and the place appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited.

If notice not compiled with, shares may be forfeited

31. If the requirements of any such notice as aforesaid are not compiled with, any shares in respect of which such notice has been given, may at any time thereafter, before the payment of all calls or instalments, interest and expenses required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share, and not actually paid before the forfeiture.

Notice of forfeiture

32. When any share shall have been so forfeited, notice to the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

Forfeited shares and property of the Company

33. Any shares so forfeited shall be deemed be the property of the Company, and may be sold or otherwise disposed of on such terms and in such manner, either subject to or discharged from all calls made instalments due prior to the forfeiture, as the Board thinks fit; the Board may. At any time before any shares so forfeited are sold or otherwise disposed of, annul the forfeiture thereof on such terms as it thinks fit.

Liability to pay calls after forfeiture

34. Any person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of the forfeiture, were presently payable by him to the Company in respect of the shares, together with interest thereon at such rate not exceeding ten per cent per annum, as the Board shall think fit, from the date of forfeiture until payment, but this liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares, together with interest as aforesaid. The Board may, if it shall think fit, remit payment of such interest or any part thereof.

Evidence of forfeiture

35. A duly verified declaration in writing that the declarant is a Director or Secretary of the Company, and that certain shares in the Company have been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares, and such declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title to such shares; and the person to whom the shares are sold shall be registered as the holder of such shares, and shall not be bound to see the application of the purchase money, nor shall his title to such shares be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, or disposal of the shares.

Lien on shares

36. The Company shall have a first and paramount lien upon all the shares, other than fully paid shares, held by any member of the Company (whether alone or jointly with other persons) and upon all dividends and bonuses which may be declared in respect of such shares, for all moneys (whether presently payable or not) called or payable at fixed time in respect of shares, whether the period for the payment thereof shall have arrived or not; Provided always that if the Company shall register a transfer of any shares upon which it has such a lien as aforesaid, without giving to the transferee notice of its claim, the said shares shall, in default of agreement to the contrary between the Company and the transferee, be freed and discharged from the lien of the Company.

Enforcement of lien

37. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it thinks fit; but no sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such member or his legal representatives, and default shall have been made by him or them in the payment of moneys called or payable at fixed time in respect of such shares for seven days after such notice.

Application of proceeds of sale

38. The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of the moneys called or payable at a fixed time in respect of such shares of such member, and the residue, if any, shall be paid to such member or his legal representatives.

What necessary to give title to Purchaser

39. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register as holder of the shares sold in substitution for the name of the holder whose shares have been sold, and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money, and after his name has been entered in the register as holder of such shares the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

Directors may issue new share certificates

40. Where any shares under the powers in that behalf herein contained are sold by the Board and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Board may issue a new certificate for such shares distinguishing it in such manner as it may think fit from the certificate not so delivered up.

TRANSFER AND TRANSMISSION

Execution of transfer etc.

41. Subject to provisions of the Act, no transfer of shares shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on the behalf of the transferee and duly attested, and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares, or if no such certificate is in existence, along with the letter of allotment of the shares. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof.

Transfer of securities held in dematerialised form

*41A. Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities affected by a Transferor and Transferee both of whom are entered as Beneficial owners in the records of a Depository.

Register of Transfer

*41B. The Company shall maintain a register of transfers and therein shall be fairly and distinctively entered particulars of every transfer or transmission of any share held in a material form.

Applications by transferor

42. Application for the registration of the transfer of a share may be either by the transferor or by the transferee, provided that, where such application is made by the Board gives notice of the application to the transferee in the manner prescribed by the Act, and the transferee makes no objection to the transfer within two weeks from the date of receipt of the notice.

Form of transfer

43. The instrument of transfer of any shares shall be in writing in the form prescribed under the Act or in such form as may from time to time recognised by the Stock Exchanges in India or the respective Committees thereof.

Refusal to register transfer

**44. Subject to the provision of section 111 of the Act, the Board may at its own absolute and uncontrolled discretion and without assigning any reason, decline to register any transfer of shares upon which the Company has a lien, and in the case of shares not fully paid up may refuse to register a transferee of whom it does not approve. Registration of a transfer of shares shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except in the lien on the shares.

No transfer to minor etc.

45. No transfer shall be registered in favour of a person known to be a minor, insolvent or person of unsound mind.

Shares in fungible form

*45A. In the case of transfer or transmission or other marketable securities, where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply. Nothing contained in sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

Transfer to be left at office and evidence of title given

46. Every instrument of transfer shall be left at the office for registration, accompanied by the certificate of the shares to be transferred, and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the shares and the transferee shall (subject to the Board's right to decline to register hereinbefore mentioned) be registered as a member in respect of such shares.

* Inserted by Special Resolution Passed at the Annual General Meeting held on 7th December, 2000.
** Substituted by Special Resolution Passed at the Annual General Meeting held on 19th June, 1987.

When transfer to be retained

47. All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may decline to register shall be returned to the person depositing the same.

Notice of refusal to register transfer

*48. If the Board refuses to register the transfer of, or the transmission by operation of law of the right to, any shares, it shall, within one month from the date on which the instrument of transfer, or the intimation of such transmission was delivered to the Company, send to the transferee and the transferor or the person giving intimation of such transmission, as the case may be, notice of the refusal.

Registration Fee

49. A fee not exceeding Rs.2/- may be charged for each transfer and for the registering of any Probate, Letters of Administration, Succession Certificate, Certificate of Death or Marriage, Power of Attorney or other instrument, and such fee shall, if required by the Board, be paid before the registration of any such transfer or any such documents or instruments. The Board may waive such a fee.

When transfer books and register may be closed

50. On giving seven days previous notice by advertisement in some newspaper circulating in Haryana, the transfer books and register of members may be closed during such time as the Board thinks fit, not exceeding in the whole forty- five days in any year, but not exceeding thirty days at a time.

Transmission of shares

51. The executors or administrators of deceased member (not being one of several joint-holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member. Before recognising any executor or administrator the Board may require him to produce a Grant or Probate or Letters of Administration or other legal representation, as the case may be, from a court or competent jurisdiction in India and having effect in Haryana; provided nevertheless that in any case where the Board, in its absolute discretion, thinks fit, it shall be lawful for the Board to dispense with the production of Probate or Letters of Administration or such other legal representation upon such terms as to indemnity or otherwise as the Board, in its absolute discretion, may consider necessary.

Nomination

**51A. Every holder of share(s) in and/or debenture(s) of, the Company, so entitled under the Act and Rules framed thereunder may, at any time, nominate, in the manner prescribed under the Act, a person to whom his share(s) in and/or debenture(s) of the Company shall vest in the event of his death.

(i) where the share(s) in and/or debenture(s) of the Company are held by more than one person jointly, the joint holders so entitled under the Act and Rules framed thereunder, may, together nominate in the manner prescribed under the Act, a person to whom all the rights in share(s) in and/or debenture(s) of the Company shall vest in the event of his death.

(ii) Notwithstanding anything contained in any other law for the time being if force or in these Articles or in any disposition, whether testamentary or otherwise, in respect of the share(s) and/or debenture(s) of the Company, where a nomination made in the manner prescribed under the Act, purports to confer on any person the rights to vest the share(s) and/or debenture(s) of the Company, the nominees shall, on the death of the shareholder and/or debenture holder concerned or on the death of the joint holders as the case may be, become entitled to all the rights in relation to such share(s) and/or debenture(s) to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the Act.

Where the nominee is a minor, the holder of the share(s) and/or debenture(s) of the Company can make the nomination in the manner prescribed under the Act, to appoint any person to become entitled to the share(s) and/or debenture(s) of the Company in the event of his death, during the minority.

* Substituted by Special Resolution Passed at the Annual General Meeting held on 19th June, 1987.

** Inserted by Special Resolution Passed at the Annual General Meeting held on 7th December, 2000.

Transmission in case of Nomination

*51B. (i) Notwithstanding anything contained in these Articles any person who becomes a nominee by virtue of the provisions of Articles 51A, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either

a) to be registered himself as holder of the share(s) and/or debenture(s) as the case may be, or

b) to make such transfer of the share(s) and/or debenture(s), as the case may be, as the deceased shareholder and/or debentureholder, concerned or deceased jointholder, as the case may be, could have made.

(ii) If a person being a nominee, so becoming entitled, elects himself to be registered as holder of share(s) and/or debenture(s), as the case may be, he shall deliver or send to the Company a notice in writing with duly signed by him stating the nominee concerned, so elects and such notice shall be accompanied with the death certificate(s) of the deceased shareholder/ debentureholder/ jointholders, as the case may be.

(iii) All the limitations, restrictions and provisions of these Articles, relating to the right to transfer and the registration of transfer of share(s) and/or debenture(s), shall be applicable to any such notice or the transfer as aforesaid as if the death of shareholder/debenture holder had not occurred and the notices or transfers were signed by the shareholder/ debenture holder/ joint holder, as the case may be.

(iv) A person being a nominee, becoming entitled to the share(s) and/or debenture(s) by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of share(s)and/or debenture(s), except that he shall not, before being registered a member in respect of his share(s) and/or debenture(s), be entitled in respect of it, to exercise, any right conferred by membership in relation to meeting of the Company.

* Inserted by Special Resolution Passed at the Annual General Meeting held on 7th December, 2000.

Provided that the Board may, at any time give notice requiring an such person to elect either to be registered himself or to transfer the share(s) ad/or debenture(s); and if the notice is not compiled with, within ninety days, the Board may thereafter withhold payments of all dividends, bonuses or other moneys payable or rights accruing in respect of the share(s) and/or debenture(s), until the requirements of the notice have been compiled with.

As to registration of or transfer by representative

52. Subject to the provisions of the last preceding Clause, any person becoming entitled to or to transfer any share in consequence of death, bankruptcy or insolvency of any member or in any way other than by transfer, upon producing the share certificate and such evidence that he sustains the character in respect of which he proposes to act under this clause of his title as the Board thinks sufficient may, with its consent(which it shall not be under any obligation to give), and subject to the regulation as to transfer hereinbefore contained, transfer such share, or may, with such consent as aforesaid, be registered as a member in respect of such share.

Death of member estate duty

53. If the Company shall become aware, though any of its principal officers, of the death of a member the Company shall comply with the requirements of the law relating to estate duty so far as the same ought to be compiled with by the Company.

INCREASE AND REDUCTION OF CAPITAL

Power to increase Capital

54. The company in general meeting may, from time to time, by ordinary resolution alter the conditions of its Memorandum so as to increase its capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

On What conditions new shares may be issued

55. Subject to the provisions of section 86 of the Act, and to any special rights or privileges for the time being attached to any issued shares, the new shares shall be issued upon such terms and conditions, and with such rights and privileges annexed thereto as the resolution creating the same shall direct, and if no direction be given, as the Board shall determine, and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting in conformity of sections 87 and 88 of the Act.

Provisions relating to the issue

*56. Before the issue of any new shares, the Company may, by ordinary resolution, make provision as to the allotment and issue of the new shares, and in particular may determine that the same, or any of them, shall be offered in the first instance either at par or at a premium or, subject to the provisions of the Act, at a discount. Subject to any direction to the contrary that may be given by the meeting that sanctions the increase of capital (provided such sanction shall have been given by a special resolution), all new shares shall be offered to all the existing holders of any class of shares, in proportion, as nearly as possible, to the capital paid up on those shares and such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting the time, being not less than fifteen (15) days from the date of the offer, within which the offer, if not accepted, will be deemed to have been declined, and advising that upon the expiration of such time, or on receipt of an intimation from the member to whom such notice is given that he declines to accept the shares offered, the Board may dispose of the same in such manner as it thinks most beneficial to the Company.

* Substituted by Special Resolution Passed at the Annual General Meeting held on 19th June, 1987.

New Capital to be considered part of original unless otherwise provided

57. Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered part of the existing capital, and shall be subject to the provisions herein contained with reference to the payment of dividends, calls and instalments, transfer and transmission, forfeiture, lien, voting and otherwise.

Inequality in number of new shares

58. If owing to any inequality in the number of new shares to be issued and the number of new shares to be issued and the number held by members entitled to have the offer of such new shares, any difficulty shall arise in the apportionment of such new shares or any of them amongst the members, such difficulty shall, in the absence of any direction in the resolution creating the shares or by the Company in general meeting, be determined by the Board.

Reduction of capital etc.

59. The Company may (subject to the provisions of sections 100 to 105 inclusive of the Act) from time to time, by special resolution, cancel shares, which at the date of the resolution, have not been taken or agreed to be taken by any person, or reduce its capital in any way and in particular (without prejudice to the Generality of the power) by paying of capital or cancelling capital which has been lost, or is unrepresented by available assets or reducing the liability on the shares or otherwise as may seem expedient, and capital may be paid off upon the footing that it may be called up again or otherwise as may seem expedient.

CONSOLIDATION, SUB- DIVISION & CONVERSION

Power to subdivided and consolidate shares

60. The Company may in general meeting alter the conditions of its Memorandum as follows:
    (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
    (b) Sub- divides its shares, or any of them, into shares of smaller amounts than originally fixed by the Memorandum, subject nevertheless to the provisions of the Act and of these Articles.
    (c) Convert all or any of its fully paid up shares into stock, and reconvert that stock into fully paid- up shares of any denomination.

Sub-division into Preference and Equity

61. The resolution whereby any share is sub- divided may determine that, as between the holders of the shares resulting from such sub- division, one or more of such shares shall have some preference or special advantage as regards dividend, capital, voting or otherwise over or as compared with the others or other, subject, nevertheless, to the provisions of sections 85,87,88,91 and 106 of the Act.

Stock

62. When any shares have been converted into stock, the several holders of such stock may, thenceforth, transfer their respective interests therein, or any part of such interests, in the same manner and subject to which fully paid- up shares in the Company's capital may be transferred, or as near thereto as circumstances will admit. But the Board may, from time to time, if it thinks fit, fix the minimum amount of stock transferable, and direct that fractions of any sum not exceeding Rupees ten shall not be dealt with, but with power nevertheless, at its discretion, to waive such rules in any particular case.

Rights of Stock- holders

63. The stock shall confer on the holders thereof respectively the same privileges and advantages as regards participation in profits and voting at meetings of the Company, and for other purposes, as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted, but so that none of such privileges or advantages, except the participation in the profits of the Company or in the assets of the Company on a winding- up shall be conferred by any such aliquot part of stock as would not, if existing in shares, have conferred such privileges or advantages. No such conversion shall affect or prejudice any preference or other special privilege attached to the shares so converted. Save as aforesaid, all the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to shares.

Right of various classes may be altered

64. If at any time the capital is divided into different classes of shares, the rights attached to any class or any such rights (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provision of section 107 of the Act, be modified, abrogated, or varied with consent in writing of the holders of not less than three fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class, but not otherwise. To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one- third of the issued shares of the class in question.

Creation or Issue of further shares of special class

65. The rights attached to any class of shares shall not (unless otherwise provided by the terms of issue of the shares of that class or by the terms upon which such shares are for the time being held) be deemed to be modified or varied by the creation or issue of further shares ranking pari passu therewith.

BORROWING POWERS

Power to borrow

66. The board may from time to time and at its discretion passed at a meeting of the Board borrow, subject to the provisions of sections 179, 180 of the Act, and secure the payment of any sum or sums of money for the purposes of the Company, provided, however that unless the Company in general meeting otherwise approves the power to borrow hereby conferred shall be limited to a sum not exceeding the aggregate of the paid- up capital of the Company and its free reserves for the time being; provided further that the limitation shall not apply to temporary loans obtained from the Company's bankers in the ordinary course of business. No debt incurred in excess of the limit imposed by this clause shall be valid of effectual unless the lender proves that he advanced the loans obtained from the Company's bankers in the ordinary course of business. No debt incurred in excess of the limit imposed by this clause shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit hereinbefore imposed had been exceeded.

Conditions on which money may be borrowed

67. The Board may raise or secure the repayment or payment of any sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular by the creation of any mortgage or charge on the undertaking of whole or any part of the property, present or future, or uncalled capital of the Company or by

the issue of bonds, perpetual or redeemable, debentures or debenture stock of the Company charged upon all or any part of the property of the Company, both present and future, including its uncalled capital for the time being.

Securities may be assignable free from equities

68. Debentures, debenture stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Issue at discount etc. or with special privileges

69. Any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares (if approved in the manner provided by Section 62 of the Act), and attending at general meeting of the Company.

Register of mortgages to be kept

70. The Board shall cause proper registers to be kept in accordance with the Act, of holders of debentures of the Company and also of all mortgages and charges specifically affecting the property of the Company, and shall duly comply with the requirements of the Act, in regard to the registration of mortgages and charges therein specified and otherwise and shall also duly comply with the requirements of the Act, as to keeping a copy of every instrument creating any mortgage or charge by the Company at the registered office, and the requirements of the Act, as to giving intimation of the payment or satisfaction of any charge or mortgage created by the Company.

Register of holders of debentures

71. On giving seven days' previous notice by advertisement in some newspaper circulating in Haryana, every register of holders of debentures of the Company may be closed for any periods not exceeding in the whole forty five days in each year but not exceeding thirty days at any one time. Subject as aforesaid, every such register shall be open to the inspection of the registered holder of any such debentures and any of any member, but the Company may in general meeting impose any reasonable restrictions so that such register is open for inspection not less than two hours in each working day.

Instruments of transfer

72. Subject to the provisions of the Act, no transfer of registered debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.

Notice of refusal to register transfer

73. If the Board refuses to register the transfer of any debentures, it shall, within two months from the date on which the instrument of transfer was lodged with the Company send to the transferee and the transferor notice of the refusal.

Inspection of copies of mortgages

74. The Company shall comply with the provisions of the Act as to allowing inspection of Copies of mortgages and of the register of mortgages.

Supplying copies of Register of holders of debentures

75. The Company shall comply with the provisions of the Act as to supplying copies of any register of holders of debentures or of any Trust Deed for securing any issue of debentures.

Right of holders of debentures to Balance Sheets

76. Holders of debentures and their trustees shall have the same right to receive and inspect the Balance Sheets and Profit and Loss Accounts of the Company and the Reports of the Auditors and other reports as is possessed by the members of the Company.

Mortgage of uncalled capital

77. If the uncalled capital of the Company be included in or charged by any mortgage or other security, the Board may, by instrument under the Company's Seal, authorise the person in whose favour such mortgage or security is executed or any other person in trust for him, to make calls on the members in respect of such uncalled capital, and the provisions hereinbefore contained in regard to calls shall, mutatis mutandis apply to calls made under such authority and such authority may be made exercisable either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.

GENERAL MEETINGS

Annual General Meeting

78. A general meeting shall be held in each year within six months of the closure of each financial year of the Company, unless the Registrar, for any special reason, has granted an extension of time within which any such general meeting shall be held by a further period not exceeding three months provided that unless the Registrar shall have extended the time as aforesaid not more than fifteen months shall elapse between the date of one such general meeting and that of the next. Every such general meeting shall be called for a time during business hours that is, between 9 a.m. to 6 p.m. on a day that is not a National Holiday and shall be held either at the office or at some other place within the city, town or village in which the registered office of the Company is situated as the Board may determine and the notices calling the meeting shall specify it as the Annual General Meeting.

Distinction between Annual and Extraordinary General Meetings

79. The general meetings referred to in the last preceding Article shall be called Annual General Meetings; all other meetings of the Company shall be called Extraordinary General Meetings.

When extra- ordinary Meetings to be called on Requisition

80. The Board may, whenever thinks fit, convene an Extraordinary General Meeting and it shall do so upon requisition in writing by any member or members holding in the aggregate one- tenth of the paid up capital upon which all calls or other sums that may be due have been paid.

Notice of Meeting

81. (a) Not less than clear twenty one days' notice to the members and directors specifying the place, date, day and hour of meeting, with a statement of the business to be transacted at the meeting, shall be given either by advertisement or by notice sent by post or through electronic mode or otherwise served as hereinafter provided. Subject to the provisions of the Act, in the case of an Annual General Meeting, with the consent of all the members entitled to vote at the meeting and in the case of any other meeting, by members holding not less than 95% of such part of the paid- up share capital of the Company as gives a right to vote at the meeting, which consent may be signified by electronic mode or in writing, a meeting may be called after giving less than twenty-one days' notice. The Board shall be entitled to assume the authenticity of and act without being obliged to require any or further evidence as to its authenticity.

(b) In every such notice there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a member.

Omission to give notice

82. The accidental omission to give notice to any person entitled under these Articles to receive notice of a general meeting, or non- receipt by any such person of such notice, shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

Business of Meeting

83. The business of an Annual General Meeting shall be to receive and consider the accounts and balance sheet, the reports of the Board of Directors and Auditors, and any other documents required by law to be attached or annexed to the balance sheet, to elect Directors in place of those retiring, to elect Auditors and fix their

remuneration, and to declare a dividend. All other business transacted at an Annual General Meeting and all business transacted at an Extraordinary General Meeting shall be deemed special.

When explanatory statement to be annexed to notice

84. (a) Where any item of business to be transacted at a meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature and extent of the concern or interest, if any, therein, of every Director.
(b) Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Quorum

85. No business shall be transacted at any general meeting unless a quorum of members is present.at the time when the meeting proceeds to business. The quorum for the general meetings shall be as provided in Section 103 of the Act.

When, if quorum not present, meeting to be dissolved and when to be adjourned

86. If within half an hour from the time appointed for a general meeting a quorum be not present, the meeting, if convened by or on the requisition of members, shall stand dissolved. In any other case the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Board may determine. If at such adjourned meeting also a quorum be not present within half an hour from the time appointed for the meeting, those members who are present shall be deemed to be quorum, and may do all business which a quorum might have done.

Requisition

87. The requisition by members referred to in Article 80 must set out the matters for the consideration of which the meeting is to be called, and must be signed by the requisitionists and be deposited at the office; provided that such requisition may consist of several documents in like form, each signed by one or more requisitionists.

Calling Meeting

88. If the Board does not proceed, within twenty- one days from the date of receipt of a valid requisition at the office, to cause an Extraordinary General Meeting to be called on a day not later than forty- five days from the date of receipt of the requisition, the requisitionists or such of them as are enabled so to do by virtue of section 100(4) of the Act, may themselves call the meeting, but any meeting so called shall be held within three months from the date of the deposit of requisition as aforesaid.

Manner thereof

89. Any meeting called under the foregoing Article by the requisitionists shall be called in the same manner, as nearly as possible, in which meetings are to be called by the Board, but such meeting shall be held at the Office.

Adjournment with consent of Meeting

90. The Chairman may, with the consent or any general meeting at which a quorum is present, adjourn the meeting from time to time and from place to place; but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted thereat.

Chairman of General Meeting

91. The Chairman of the Board shall be entitled to take the chair at every general meeting. If there is no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act, the members present shall choose another Director as chairman, and if no Director is present or if all the Directors present decline to take the chair; then the members present shall choose one of their number to be chairman of the meeting.

How questions to be decided at meetings

92. At any general meeting every question shall be decided in the first instance by a show of hands; and unless a poll be (before or on the declaration of the result of the voting on a show of hands) directed by the Chairman or demanded by at least five members entitled to vote and present in person or by proxy, or by one or more members present in person or by proxy and having not less than one- tenth of the total voting power or holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one- tenth of the total sum paid up on all the shares conferring that right, a declaration by the Chairman that a resolution has or has not been carried , or has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the Minute Book of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

Poll

93. If a poll be directed or demanded in the manner hereinbefore mentioned, it shall (subject to provisions of Article 97 hereof) be taken at such time not later than fortyeight hours from the time when poll was demanded, and, subject to the provisions of the Act, in such manner as the Chairman may direct, and the result of such poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

Scrutineers at Poll

94. (1) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him.

(2) The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause.

(3) Of the two scrutineers appointed under this Article, one shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed.

Casting Vote

95. In the case of an equality of votes at any general meeting, whether on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a casting vote in addition to the vote to which he may be entitled as a member.

Disputed Vote

96. No objection to the admission or rejection of any vote shall be taken except at the meeting or adjourned meeting at which the vote in dispute is given or tendered. The Chairman shall determine any such objection if made within due time, and such determination shall be final and conclusive.

When poll taken without adjournment

97. A poll demanded upon the election of a Chairman or upon a question of adjournment shall be taken forthwith. Any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

VOTING

Proxy permitted

98. Subject to the provision of these Articles, votes in any general meeting may be given either personally or by proxy, or in the case of a company or corporation by a representative, duly authorised under Article 103 hereof, and such representative's proxy.

No vote where call unpaid

99. No member shall be entitled to be present or to vote, either personally or by proxy, or as proxy for another member, at any general meeting, or upon a poll, or be reckoned in quorum, whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member, or in regard to which the Company has, and has exercised, any right of lien.

Regulation of voting rights

100. Subject to the provisions of section 47 of the Act and subject to the provisions of Articles 101 and 102 hereof, every member not disqualified by the last preceding Article, shall be entitled to be present and to speak and vote at a general meeting, and on a show of hands every member present in person shall have one vote, and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid- up equity capital of the Company. And provided that if any preference shareholder be present at any meeting of the Company, he shall have a right to vote in respect of preference share capital only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.

No vote by proxy on show of hands

101. No member present only by proxy not being himself a member shall be entitled a vote on a show of hands or speak at a general meeting.

Voting Rights of Depositories and beneficial owner

*101A. Notwithstanding anything contained in these Articles of Association, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of shares on behalf of a Beneficial Owner. Save as otherwise provided hereinabove, the Depository as a registered owner shall not have any voting rights or any other rights in respect of shares held by it. Every person holding securities of the Company and whose name is entered as the Beneficial owner in the records of the Depository shall be deemed to be member of the Company; and the Beneficial owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of its shares held by a Depository.

Joint holders

102. If there be joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto, but the proxy so appointed shall not have any right to speak at the meeting and; if more than one of such joint holders be present at any meeting, that one of the said persons so present whose name stands first in the register shall be alone entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name shares stand shall, for the purpose of these Articles, be deemed joint holders thereof.

*Inserted by Special Resolution Passed at the Annual General Meeting held on 7th December, 2000.

Representation of Companies or Corporations which are members of this Company

103. Any company or corporation which is a member of the Company may, by resolution of its Board or other Governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorized shall be entitled to exercise the same rights (include the right to vote by proxy) on behalf of the company or corporation which he represents as that company or corporation could exercise if it were a natural person and a shareholder of the Company, and the

production at the meeting of a copy of such resolution by the person so authorized (or his proxy) duly signed by an officer of such company or corporation and certified by him as being a copy of the resolution shall, on production at the meeting, be accepted by the Company as sufficient evidence of the validity of the appointment of the representative.

Votes in respect of deceased insane and insolvent members

104. Any person entitled under Article 52 to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he were registered holder of such shares, provided that forty eight hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Board of his right to transfer such shares, or the Board shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic, idiot or non compos mantis, he may vote whether by a show of hands or at a poll by his committee, curator bonis or other legal curator and such last mentioned persons may give their votes by proxy.

Instrument appointing proxy to be in writing

105. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised writing, or if such appointer is a company or corporation, under its common seal or the hand of its authorised officer, representative or attorney.

Proxies may be General of Special

106. A proxy who is appointed for a special meeting only shall be called a Special Proxy. Any other proxy shall be called a General Proxy.

Instrument appointing a proxy to be deposited at the office

107. The instrument appointing a proxy and the Power of Attorney or other authority (if any), under which it is signed or a notarially certified copy of that power or authority, may be rejected if it has not been deposited at the office at least forty- eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote.

When vote by proxy valid though authority revoked

108. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received at the office before the meeting; provided nevertheless the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

Form of Instrument

109. Every instrument appointing a Special Proxy shall, as nearly as circumstances will admit, be in the form or to the effect following and shall be retained by the Company:-

SHALIMAR PAINTS LIMITED

I, _____ of_____ being a member of Shalimar Paints Limited hereby appoint _____ of _____ (or_____ falling him _____ of _____ or falling him _____ of _____) as my Proxy in my absence to attend and vote for me, and on my behalf at the Annual or Extraordinary (as the case may be) General Meeting of the Company to be held on the day of and any adjournment thereof.

AS WITNESS I set my hand this _____ day of _____19____

Signed by the said

Provided always that if any form is prescribed by statute for use as an instrument appointing a Special Proxy such instrument shall be in that form.

Registered member to be subject to same rights and liabilities as remainder of his class

110. Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

DIRECTORS

Number of Directors

111. Unless and until the Company in general meeting shall otherwise determine, the number of Directors shall not be less than three nor more than twenty as per Companies Act, 2013.

Existing Directors

112. At the date of adoption of these Articles the persons hereinafter named are the Directors of the Company namely:-

Mr. S. Chaudhuri
Mr. C. A. Hogg
Mr. E.W. Osmond
Mr. P. B. Sen Gupta
Mr. I. M. Malkani

No qualifications required

113. Unless otherwise determined by the Company in the General Meeting a Director shall not be required to hold any shares in the Company in order to qualify him to act as a Director, but nevertheless he shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the holders of any class of shares.

Remuneration of Directors

*114. The remuneration payable to a Director for his services, whether as a Managing Director or as a Director in the whole or part time service of the Company, shall be determined in accordance with this Article and the Act. Unless otherwise determined by the Company in General Meeting, each Director, other than the Managing or Whole- Time Director, shall be paid out of the funds of the Company by way of remuneration for his services the sum of Rs.500/- or such higher amount as may be prescribed by the Central Government from time to time, for each meeting of the Board or of a Committee thereof, attended by him. Besides the fee aforesaid the Chairman of the Board of Directors may be paid an additional fee of Rs.500/- for each meeting of the Board, or a Committee thereof, attended by him, subject to the prior approval of the Central Government. A Managing Director or a Whole- time Director may be paid remuneration either by such monthly payment or at such specified percentage of the net profits of the Company (not exceeding that permitted by the Act) or partly by one way and partly by the other as may be determined by the Company in General Meeting by a special resolution. The Directors, other than a Managing or Whole- time Director, may also be paid a commission at such specified percentage of the net profits (not exceeding that permitted by the Act) as may be determined by the Company in General Meeting by a special resolution, as may be requisite for the purpose. The Directors shall also be entitled to be paid by way of reimbursement all reasonable travelling, hotel and other expenses incurred by them in connection with the business of the Company. Subject to the provisions of Act, if any Director, other than a Managing or Whole time Director, be called upon to perform extra service of a professional nature, the Company may pay such extra remuneration therefore as may be determined by the Board, and such remuneration may be in addition to the remuneration as in hereinbefore provided.

Alternate Director

115. The Board may appoint an alternate Director to act for a Director (hereinafter called “the original Director”) during his absence for a period of not less than three months from India but so that an alternate Director shall not hold office as such for a period longer than that permissible to the original Director in whose place he shall have

been appointed and shall have vacate office and if and when the original Director returns to India. If the term of office of the original Director is determined before he so returns to India aforesaid, any provision in the Act or in these Articles for the automatic re- appointment of retiring Directors in default of another appointment shall apply to the original Director and not to the alternate Director.

Casual vacancies and additions

116. The Board is empowered, at any time and from time to time, to appoint any other person to be a Director of the Company, either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not exceed the maximum for the time being prescribed. A person appointed to fill a casual vacancy can hold an office until the date up to which the Director in whose place he is appointed would have held the same, and one who is appointed as an Additional Director shall hold office only up to the date of next Annual General meeting, but such person shall in either case be eligible for re- election. Whenever necessary, a Director shall file with the Registrar the consent required by Section 152 of the Act.

*Substituted by Special Resolution Passed at the Extraordinary General Meeting held on 17th November, 1988.

Nominee Directors

*116A. (a) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India (ICICI), The Industrial Reconstruction Bank of India Limited (IRBI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Corporation of India (GIC), National Insurance Company Limited (NIC), The Oriental fire General Insurance Company Limited (OFGI) , The New India Assurance Company Limited (NIA),United India Insurance Company Limited (UIA), or a State Financial Corporation or any financial institution owned or controlled by the Central Government or a State Government or the Reserve Bank of India (RBI) or by two or more of them or by Central Government or State Government by themselves (each of above is hereinafter in this article referred to as "The Corporation") out of any loans/ debenture assistance granted by them to the Company or so long as the Corporation holds or continues to hold Debentures/ Shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any Guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have right to appoint from time to time any person or persons as a Director or Directors, whole- time or non- whole- time (which director or directors, is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his their place/s.

(b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. Also at the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

(c) The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds or continues to hold Debentures/ Shares in the Company as a result of underwriting of by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

* New Article inserted by Special Resolution Passed at the Extraordinary General Meeting held on 26th March, 1991.

Vacation of office by Directors

117.(1) The office of a Director shall become vacant if-

(a) He is found to be unsound mind by a Court of competent jurisdiction.

(b) He applies to be adjudicated an insolvent.

(c) He is adjudged an insolvent

(d) He is convicted by a Court of any offence involving moral turpitude, and is sentenced in respect thereof to imprisonment for not less than six months.

(e) An order disqualifying him for appointment as a director has been passed by the court or Tribunal and the order is in force.

(f) He fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government has by notification in the official Gazette removed the disqualification incurred by such failure;

(g) He absent himself from all the meeting of the Board held during a period of twelve months with or without seeking leave of absence of the Board.

(h) He (whether himself, or by any person for his benefit, or on his account), or any firm which he is a partner, or any Private Company of which he is Director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of section 185 of the Act.

(i) He being concerned or interested in any contract or arrangement, or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company fails to disclose the nature of his concern or interest as required by section 184 of Act.

(j) He is removed in pursuance of section 169 of the Act;

(k) Having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or

(l) He has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years;

(m) if a person is a Director of more than Twenty Companies or such other numbers of Companies as per the provisions of the Companies Act, 2013 or any other law for the time being in force, provided that the maximum number of public companies or holding or subsidiary company of a holding company in which a person can be appointed as a director shall not exceed ten.

(n) He has not complied with sub-section (3) of section 152.

(2) No person who is or has been a director of the company which-

(a) has not filled financial statement or annual returns for any continuous period of three financial years; or

(b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more.

(3) Notwithstanding anything in paragraphs (c), (d) and (i) of sub- clause (1), the disqualification referred to in those paragraphs shall not take effect:-

(a) From thirty days from the date of adjudication, sentence or order

(b) Where any appeal or petition if preferred within the thirty days aforesaid, against the adjudication, sentence or conviction resulting in the sentence or order, until the expiry of seven days from the date on which such appeal or petition is disposed of; or

(c) Where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, order or conviction and the appeal or petition, if allowed, would result in the removal of disqualifications, until such further appeal or petition is disposed of.

ROTATION AND RETIREMENT OF DIRECTORS

Rotation and retirement of Directors

118. At every annual general meeting one- third of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then, the number nearest to one- third shall retire from office. The Directors to retire by rotation shall be those who have been longest in their office since their last appointment, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re- election.

Filling Vacancies

119. At the annual general meeting at which any Director retires as aforesaid, the Company may fill up the vacancies by appointing the retiring Director or some other person thereto, and may fill up other offices which may then be vacant by electing the necessary number of persons. The Company may also at any extraordinary general meeting, on notice duly given, fill up any vacancies in the office of Director or appoint additional directors, provided that the maximum fixed as hereinbefore mention be not exceeded.

When vacating Directors deemed re- elected

120. If, at any meeting at which an election of Directors ought to take place, the place of any retiring Director is not filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a National Holiday, till the next succeeding day which is not a National holiday, at the same time and place, and, if at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re- appointed at the adjourned meeting unless:-

(i) at the meeting or at the previous meeting a resolution for the re- appointment of such Director has been put to the meeting and lost;

(ii) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re- appointed;

(iii) he is disqualified for appointment;

(iv) a resolution, whether special or ordinary, is required for his appointment or re- appointment in virtue of any provisions of the Act, or

(v) The provision to sub- section (2) of section 162 of the Act is applicable to the case

Directors may act notwithstanding vacancy

121. The continuing Directors may act notwithstanding any vacancy in their body; but, if the number falls below the minimum, the number of Directors fixed above, the continuing Directors shall not, except for the purpose of filling vacancies or of summoning a general meeting, act so long as their number is below the minimum number is fixed.

Removal of Directors

122. Subject to and in accordance with the provisions of the Act the Company may, by ordinary resolution, remove a Director before the expiration of his period of office.

Directors may contract with Company

123. (1)Subject to provisions of the Act and of these Articles, the Directors shall not be disqualified from contracting with the Company either as vendor, purchaser or otherwise, nor shall any contract or arrangement entered into by or on behalf of the Company with any company or partnership of or in which any Director shall be a member or

otherwise interested be avoided, nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established, but the nature of their or his interest (required to be disclosed by section 184 of the Act) must be disclosed by them or him at the meeting of the Directors at which the contract and arrangement is determined on, if the interest then exists, or in any other case, at the first meeting of the Directors after the acquisition of the interest. Provided nevertheless that no Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid, and if he does so his vote shall not be counted, but he shall entitled to be present at the meeting during the transaction of the business in relative to which he is precluded from voting although he shall not be reckoned for the purpose of ascertaining whether there is quorum of Directors present. Subject to the provisions of the Act, this proviso shall not apply to any contract by or on behalf of the Company to give to the Directors or any of them any indemnity against any loss which they or any of them may suffer by reason of becoming or being sureties for the Company. A general notice that any Director is a Director or a member of any specified company or is a member of any specified firm and is to be regarded as interested in any subsequent transaction with such company or firm shall as regards any such transaction be sufficient disclosure under this clause, and after such general notice it shall not be necessary to give any special notice relating to any particular transaction with such company or firm provided that any such general notice shall expire at the end of the financial year in which it is given, but may be renewed for further periods of one financial year at a time, by a fresh notice given in the last month of the financial year in which it would otherwise have expired. No such general notice and no renewal thereof, shall be of effect unless either it is given at a meeting of the Directors, or the Director concerned takes reasonable steps to secure that it is brought up and read at the next meeting of the Directors after it is given.

(2) Except with the consent of the Board of Directors to be given by a resolution at the meeting of the Board and in accordance with the provisions of section 188 of the Act, a Director of the Company or his relative, a key managerial personnel or his relative, a firm in which he or his relative is a partner or any other partner in such a firm or a private company of which the Director is a member or Director, shall not enter into any contract with the Company for sale or purchase or supply of goods, material or services or for underwriting the subscription of any shares in, or debentures of, the Company. Nothing contained hereinbefore shall affect the purchase of goods and materials from the Company or the sale of goods and materials to the Company as aforesaid for cash at prevailing market prices, or any contracts for the sale, purchase or supply of goods, materials or services in which either the Company or the Director, relative, firm, partner or private company, as the case may be, regularly trades or does business, provided that the value of such goods and materials and the cost of such services do not exceed five thousand rupees in aggregate in any calendar year comprised in the period of the contract or contracts.

(3) Notwithstanding anything contained in sub- clause (2) hereof, a Director, relative, firm, partner or private company as aforesaid, may, in circumstances of urgent necessity, enter, without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceed five thousand rupees in the aggregate in any year comprise in the period of contract; but in such a case, the consent of the Board shall be obtained at a meeting within three months of the date on which the contract was entered into.

PROCEEDINGS OF DIRECTORS

Meetings of Directors

124. The Directors shall meet together at least once in three months and at least four such meetings shall be held every year for despatch of business and may adjourn and otherwise regulate its meetings and proceedings as they think fit. All Board meetings shall be held in India and the Directors shall be entitled to exercise their powers only when and whilst they are respectively in India. Unless otherwise determined from time to time and at any time by the consent of all Directors for the time being in India, meetings of the Board shall take place in office.

Summoning meeting of Directors

125. The Managing Director or the Secretary may at any time, and the Secretary shall, if so directed by the Chairman or the Managing Director, convene a meeting of the Board of Directors by giving a notice in writing to every Director for the time being resident in India, and at his usual address in India to ever other Director.

Chairman

126. The Director may elect a Chairman of their meetings and determine the period for which he is to hold the office. If no such Chairman is elected, or if at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose someone of their number to be Chairman of such meeting.

Quorum

127. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provision of section 174 of the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Board it shall be adjourned until such date and time as the Chairman shall appoint.

Powers of quorum

128. A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Act or these Articles for the time being vested in exercisable by the Board.

How questions to be decided

129. Subject to the provisions of sections 203 and 186 of the Act, questions arising at any meeting shall be decided by a majority of votes, and, in case of any equality of votes, the Chairman shall have a second or casting vote.

Power to appoint Committees and to delegate

130. The Board may, subject to the provisions of Act, from time to time and at any time delegate any of its powers to a committee consisting of such Director or Directors as it thinks fit and may from time to time revoke such delegation. Any Committee so formed shall, in the exercise of the powers so delegated, confirm to any regulations that may from time to time be imposed upon it by the Board.

Proceedings of Committee

131. The meetings and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto, and are not superseded by any regulations made by the Board under the last preceding Clause.

When Acts of Directors of Committee valid notwithstanding defective appointment

132. All acts doe by any meeting of the Directors or by a Committee of Directors or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after the appointment of such Director has been shown to the Company to be invalid or to have terminated.

Resolution without Board Meeting

133. Save in those cases where a resolution is required by sections 161 and 179 of the Act, to be passed at a meeting of the Board, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be, duly called and constituted, if a draft in writing is circulated together with the necessary papers, if any, or to all the Directors, or to all the members of the Committee of the Board, as the case may be, then in India (not being less in number than the quorum fixed for a meeting or the Board or Committee, as the case may be) and to all other Directors or members of the Committee at their usual address in India and has been approved by such of them as are then in India or by a majority of such of them, as are entitled to vote on the resolution.

MINUTES

Minutes to be made

134.(a) The Company shall cause minutes of all proceedings of every meeting of the Board and the Committee thereof to be kept by making, within 30 (Thirty) days of the conclusion of each such meeting, entries thereof in books kept, whether manually in the registers by way of loose leaves bound together, as may be decided by the Board of Directors for that purpose with their page consecutively numbered.

(b) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the chairman of the said meeting of the chairman of the next succeeding meeting.

(c) In no case, the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(d) the minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(e) All appointment made at any of the meetings aforesaid shall be included in the minutes of the meeting.

(f) The minutes shall also contain :-

(i) the name of the Directors present at the meeting; and

(ii) in the case of each resolution passed at the meeting, the names of the directors, if any dissenting from or not concurring in the resolution.

(g) Nothing contained in sub-clauses (a) to (f) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting-

(i) is, or could reasonably be regarded as, defamatory of any person;

(ii) is irrelevant or immaterial to the proceedings; or

(iii) is detrimental to the interest of the Company;

and that the Chairman shall exercise an absolute discretion with regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in this sub-clause.

(h) Minutes of the meetings kept in accordance with the aforesaid provisions shall be an evidence of the proceedings recorded therein.

POWER OF DIRECTORS

Management vested in Directors

135.The management of the business of the Company shall be vested in the Board of Directors who, in addition to the powers and authorities by these Articles or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may exercised or done by the Company and are not hereby or by statue expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Act and of these Articles and to any regulations from time to time made by the Company in general meeting; provided that no regulation so made shall invalidate any prior act of the Board which would have been valid if such regulation had not been made; and provided further that the Board shall not, except with the consent of the Company in general meeting-

(a) sell, lease or otherwise dispose of the whole or substantially the whole, of the undertaking of the Company or if the Company owns more than one undertaking, of the whole or substantially the whole, of any such undertaking;

(b) remit or give time for the repayment of any debt due by a Director;

(c) invest, otherwise then in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in a clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on, or can be carried on only with difficulty or only after a considerable time;

(d) borrow moneys where the moneys to be borrowed, together with the moneys already borrowed by the Company, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid- up capital of the Company and its free reserves, that is to say, reserves not set apart of any specific purpose; or

(e) contribution to bona fide charitable and other funds not directly relating to business of the Company or the welfare of its employees any amount the aggregate of which, in any financial year, exceed 5% of its average net profits for the three immediately preceding financial year.

Specific Powers

136. Without prejudice to the general powers conferred by the last preceding Article and of the other powers conferred by these Articles, it is hereby expressly declared that the Board shall have following powers, that is to say, power-

To acquire and dispose of property and rights

(1) Subject to sections 179 and 188 of the Act, to purchase any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as it thinks fit, and subject to section 180, to sell, let, exchange or otherwise dispose of absolutely o conditionally any part of the property, rights and privileges of the Company upon such terms and conditions and for such consideration as they may think fit;

To pay for property in shares etc.

(2) At their discretion to pay for any property, rights or privileges, acquired by or services rendered to the Company either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;

To draw bills etc.

(3) To make, draw, endorse, sign, accept, negotiate, and give all cheques, bills of lading, drafts, orders, bills, of exchange, Government of India and other promissory notes and other negotiable instruments required in the business of the Company

To secure contracts by mortgage

(4) To secure the fulfilment of any contracts, agreements or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such other manner as it may think fit;

To appoint officers etc.

(5) Subject to the terms of any agreement for the time being in force, to appoint and at their discretion remove or suspend such agents, managers, secretaries, officers, clerks and servants for permanent, temporary or special services as it may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amount as it may think fit;

To appoint trustees

(6) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such deeds, documents and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees;

To bring and defend actions etc.

(7) To institute, conduct , defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to the compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the company;

To refer to arbitration

(8) To refer any claims or demands by or against the Company to arbitration and observe and perform the awards;

To give receipts

(9) To make and give receipts, releases and other discharges for the money payable to the company and for the claims and demands of the Company;

To act in matters of insolvents

(10) To act on behalf of the company in all matters relating to insolvents;

To authorise acceptances etc.

(11) To determine who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements , cheques, releases , contracts and documents;

To appoint attorneys

(12) From time to time to provide for the management of the affairs of the Company either in different parts of India or elsewhere in such manner as it thinks fit, and in particular to establish branch offices and to appoint any person to be the attorneys or agents of the Company with such powers (including power to sub-delegate) and upon such terms as may be thought fit;

To Invest Moneys

(13) Subject to the provision of section 179 of the Act, to invest any of the moneys of the Company not immediately required for the purposes thereof upon such securities and in such manner as it may think fit, with power from time to time to vary or realize such investments. Save as otherwise provided for by section 187 of the Act, all such investments shall be made and held in the name of the Company and where, in pursuance of the said section, any such investment are not so held, the board shall keep or cause to be kept a register which shall be maintained and be open to inspection in manner required by the said sections;

To give security by way of Indemnity

(14) To execute in the name and on the behalf of the company in favour of any Director or the person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as it think fit, and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on;

To give percentages

(15) To give to any person employed by the Company a commission on the profits of any particular business or transaction or a share in the general profits of the Company, and such commission or share or profits shall be treated as a part of the working expenses of the Company;

To make bye- laws

(16) From time to time to make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants.

To make contracts etc.

(17) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;

To establish and support charitable objects

(18) To establish , maintain, support and subscribe to any charitable or public object, and any institution, society, or club which may be for the benefit of the Company or its employees; to give pensions, gratuities, or charitable aid to any person or persons who have served the company or to wives, children or dependents of such person or

persons, that may appear to the Board just or proper, whether any such person , his widow, children or dependents , have or have not a legal claim upon the Company.

To set inside profits for Provident Fund

(19) Before recommending any dividends to set aside portions of the profits of the Company to form a fund to provide for such pensions, gratuities, or compensation; or to create any provident pension or benefit fund in such or any other manner as to the board of directors may seem fit;

To make and alter rules

(20) To make and alter rules and regulations concerning the time and manner of payment of the contributions of the employees and the Company respectively to any such fund and the accrual, employment, suspension and forfeiture of the benefits of any such fund and the application and disposal thereof, and otherwise in relation to the working and management of any such fund as the Board shall, from time to time think fit.

MANAGING DIRECTOR AND WHOLE TIME DIRECTOR

Power to appoint

137. Subject to the provisions of the Act, the Board of Directors shall have power to appoint from time to time one or more of their body (not including any person rendered ineligible by the provision of the section 196 of the Act) to be Managing Director of Directors, or Whole-time Director or Directors of the Company for a fixed term not exceeding five years at a time and on such terms as the Board thinks fit and may from time to time (subject to the provision of section 169 of the Act and of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

Special position

138. Subject as hereafter provided, a Managing Director , while he continues to hold that office, be subject to retirement by rotation, and he shall be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire, but if he ceases to hold the office of Director from any cause he shall, ipso facto and immediately, cease to be a Managing Director.

Remuneration

139. The Board shall fix the remuneration payable to a Managing or Whole time Director, either by way of monthly payments, or a specified percentage of the net profits of the Company, or partly by one way and partly by the other, and may provide, as a term of his appointment, that there be paid to him, or his heirs and legal representatives, or his widow or other dependents, a provident fund, pension, or gratuity, any or all of them, on retirement or death. But such remuneration shall be subject to the limitations prescribed by sections 197 of the Act.

Powers

140.(1) The Board of Directors may from time to time entrust to and confer upon a Managing or Whole-time Director for the time being such of the powers exercisable under these presents by the Board as it may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks expedient; and it may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. Provided always that the Board shall not delegate the powers to make calls and to issue debentures which , by virtue of section 179 of the Act, may be exercised only by resolutions passed at meetings of the Board, nor the other powers specified in the said section, namely, to borrow moneys otherwise than on debentures, to invest the funds of the Company and to make loans, unless such delegation be made by resolution passed at a meeting of the Board specifying such matters as are prescribed by the said section.

(2) Until otherwise determined by the Board of Directors , the Managing Directors and if there is more than one Managing Director, the Senior Managing Director, shall have the following powers, subject to the provisions of the Act and in particular to the prohibitions and restrictions contained in section 292 thereof:-

(a) To conduct and manage the business affairs and property of the Company, and to do everything necessary or expedient thereunto;

(b) To demand, sue for, receive and give receipts for all debts and other moneys, goods and chattels due to or receivable by the Company including any such as may be due from the Central or any State Government, the Reserves Bank of India, or any Treasury of Public Debt Office, or any other Government, Municipal, Local , Military, or Civil Authority ;

(c) To draw , sign and endorse as may be required –

(i) cheque on bankers (whether on credit or overdraft account), dividend warrant and other orders for payment;

(ii) bills of exchange and promissory note (including those issued by any Government);

(iii) any other documents necessary or proper for the operation of the Company's banking account or monetary affairs.

(d) To enter into, carry out, rescind or vary all financial arrangements with any Banks, persons or corporations for or in connection with the Company's business subject to the limitation that the total amount outstanding at any one time upto which moneys may be borrowed shall not exceed the amount which the Board may from time to time authorise and in pursuance of or in connection with any such arrangements to deposit, pledge or hypothecate any property of the Company or documents representing or relating to the same;

(e) To buy or procure the supply of all plant, machinery, materials, stores, implements and other movable property required for the Company.

(f) To sell and dispose of all the materials, articles and goods manufactured or dealt in by the Company;

(g) To effect , maintain and recover under insurance against loss, damages and liability;

(h) To represent the Company in all matters of taxation and to receive and give receipt for all sums receivable by way of relief, rebate or refund and to appoint any person to represent the Company in any proceeding, original appellate or revisional, before any Authority Officer and Tribunal and to file any papers in such proceeding and to withdraw the same;

(i) To make application to the Government, or any local or other authority for any licence, sanction, permit or consent that may be requisite;

(j) To represent the Company in all Courts and before all Magistrates, Commissioners, Income-tax Officers and other authorities with whom the Company or its affairs or property may be concerned;

(k) To commence, prosecute, enforce, defend, answer or oppose all actions, suits and other legal proceeding and demands touching any of the matters in which the Company is or may hereafter be interested or concerned and also, if thought fit , to compromise , refer to arbitration , abandon , submit to judgement , or become non-suited in any such action, suit or legal proceedings as aforesaid, and in such actions to file such appeals, applications for review, revision or otherwise as Managing Director shall think fit;

(l) To submit any dispute or other matter to arbitration;

(m) To appoint Solicitors, Councel, Advocates and other persons for such purposes and with such powers authorities and discretions not exceeding those vested in him and for such period and subject to such conditions as he may think fit;

(n) To invest and dealt with , any moneys of the Company not immediately required for the purposes of the Company in such manner and for such amount as may from time to time be determined by the Board and from time to time vary or realise such investments;

(o) To sign and execute-

(i) conveyances, transfers and assignments;

(ii) reconveyances, releases and surrenders;

(iii) bonds, guarantees, indemnities, contracts and undertakings;

(iv) transfers of shares, stocks, debentures and other investments;

(v) bills of lading, insurance policies, invoices and other shipping and customs documents and mercantile papers;

(vi) arbitration agreements, warrants, vakalatnamas and authorities to prosecute or defend;

(vii) plaints, written statements, petitions and applications.

(p) To engage, fix and pay the remuneration of and dismiss and discharge all persons employed or to be employed in or in connection with the Company's business;

(q) To appear before Registrars and Sub-Registrars of Assurances at all places in India and to present. For registration, admit execution of and register all instruments executed by the Company and to sign memoranda and endorsements for such purpose.

When there is more than one Managing Director, the Board shall decide who will be Senior Managing Director, for the purpose of this Article.

LOCAL MANAGEMENT

Local Managements

141. Subject to the provisions of the Act, the following regulations shall have effect:-

(1) The Board may, from time to time, provide for the management of the affairs of the Company outside India or in any specified locality in India, in such manner as it shall think fit and the provisions contained in the four next following sub- clauses shall be applicable without prejudice to the general powers conferred by this sub-paragraph.

(2) The Board may, from time to time and at any time, establish any Local Directorates or agencies for managing any of the affairs of the Company outside India, or in any specified locality in India, and may appoint any persons to be members of such Local Directorate or any managers or agents or attorneys or secretaries and may fix their remuneration and, save as provided in section 179 of the Act, the Board may, from time to time and at any time, delegate to any person so appointed any of the powers; authorities and discretions for the time being vested in the Board and may authorise the members for the time being of any such Local Directorate or any of them to fill up any vacancies therein and to act notwithstanding vacancies; and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit; and the Board may, at any time, remove any person so appointed and may annul or vary any such delegation.

(3) The Board may, at any time and from time to time, by Power of Attorney under its Seal, appoint any persons to be the attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those which may be delegated by the Board under the Act) and for such period and subject to such conditions as the Board may, from time to time, think fit; any such appointment may, if Board thinks fit, be made in favour of the members or any of the members of any Local Directorate established as aforesaid, or in favour of any company or of the members, directors, nominees or officers of any company or firm or in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board; and any such Power of Attorney may contain such provisions for the protection of convenience of persons dealing with such attorneys as the Board thinks fit.

(4) Any such delegates or attorneys as aforesaid may be authorised by the Board to sub- delegate all or any of the powers, authorities and discretions, for the time being vested in them.

(5) The Company may exercise the powers conferred by section 50 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Board and the Company may cause to be kept in any State or country outside India, as may be permitted by the Act, a foreign register of members or debenture-holders resident in any such state or country and the Board may, from time to time, make such regulations as it may think fit respecting the keeping of any such foreign register, such regulations not being inconsistent with the provisions of sections 88 of the Act; and the Board may, from time to time, make such provisions as it may think fit relating thereto and may comply with the requirements of any local law and shall, in any case, comply with provisions of sections 88 of the Act.

SECRETARY

Secretary

142. The Board may from time to time appoint a Secretary of the Company either for a fixed time or without any limitation as to the period for which he is to hold such office, at such remuneration and upon such conditions as it

may think fit and may from time to time (subject to provisions of any contract between him and the Company) remove or dismiss him from office and appoint another in his place.

SEAL

The Seal

143. The Board shall provide a Seal for the purposes of the Company and for the safe custody thereof, and the Seal shall only be used by the authority of the Board or of a Committee of the Board authorised by the Board in that behalf, and,save as otherwise provided in Article 20 hereof, in the presence of two Directors, or of one Director and the Secretary (or some other person appointed by the Board for the purpose), who shall sign every instrument to which the Seal is affixed. Provided, nevertheless, that any instrument bearing the Seal of the Company and issued for a valuable consideration shall be binding on the Company notwithstanding any irregularities touching the authority of the Board to issue the same.

DIVIDENDS

Dividend how payable

144. Subject to the rights of the holders of any shares entitled to any priority, preference or special privileges, all dividends shall be declared and paid to the members in proportion to the amounts paid up on the shares held by them respectively. No amount paid on a share in advance of calls shall be treated for the purpose of this clause as paid on the share. All dividends shall, subject as aforesaid, be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; if any share is issued on terms providing that it shall rank for dividend from a particular date it shall rank accordingly.

Directors to recommend payment of dividend

145. The Directors shall lay before the Company in general meeting a recommendation as to the amount (if any) which they consider should be paid by way of dividend and the Company may declare a dividend to be paid to the members according to their rights and interest in the profits and may, subject to the provisions of section 207 of the Act, fix the time for payment.

Restrictions on the amount of dividends

146. No larger dividend shall be declared than is recommended by the Directors, but the Company in general meeting may declare a smaller dividend.

Dividend out of profits only and not to carry interest

147. No dividend shall be payable except out of the profits of the Company or out of moneys provided by the Central or a State Government for the payment of the dividend in pursuance of any guarantee given by such Government and no dividend shall carry interest against the Company. Dividend may be declared either free or subject to the deduction of income- tax and other tax or duty chargeable with respect to such dividend.

What to be deemed net profits

148. The determination of the Directors as to the amount of the net profits of the Company shall be conclusive and binding upon the members of the Company.

Interim dividends

149. The Directors may from time to time pay to the members, or any class of members, such interim dividends as appear to the Directors to be justified by the profits of the Company.

Debts may be deducted

150. The Directors may deduct from Dividends payable to any member all such sums of money as may be due from him to the Company on account of calls or otherwise.

Dividends and call together

151. Any general meeting declaring a dividend may make a call on the members or such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the member, be set off against the call.

Dividend in specie

152. Save as otherwise provided in section 123 in the Act, no dividend shall be paid except in cash.

Effect of transfer

153. A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer by the Company.

Retention in certain cases

154. The Directors may retain the dividend payable upon shares in respect of which any person is under Article 52 entitled to become a member or which any person under that Article is entitled to transfer until such person shall become a member in respect thereof or shall duly transfer the same.

Dividend to joint-holders

155. Any one of several persons who are members registered jointly in respect of any share may give effectual receipts for all dividends, bonuses and other payments in respect of such share.

Dividends may be sent by post

156. Unless otherwise directed in accordance with section 209A and 234 of the Act, any dividend, interest or other moneys payable in cash in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or in the case of member registered jointly to the registered address of the first named in register or to such person and such address as the member or members as the case may be, may direct, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

Unclaimed dividends

157. Any dividend unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and any dividend unclaimed till the claim becomes barred by law may be forfeited by the Board for the benefit of the Company, but the Board may annul the forfeiture wherever it may think proper.

RESERVES

Reserves

158. The Board may, from time to time before recommending any dividend, set aside any and such portion of the profits of the Company as it thinks fit as Reserves and may apply the same by employing it in a business of the Company or by investing it in such manner (subject to the provisions of the Act) as it shall think fit, and the income arising from such Reserves shall be treated as part of the profit of the Company. Such Reserves may be applied for the purpose of maintaining the property of the Company, replacing assets, meeting contingencies, forming an insurance fund, equalising dividends, paying special dividends or bonuses, liquidating any debentures, debts or other liabilities, or for any other purpose for which the net profits of the Company may lawfully be used, and until the same shall be so applied it shall be deemed to remain undivided profit.

CAPITALISATION OF RESERVES

Capitalisation of Reserves

159. The Company in general meeting may, upon the recommendation of the Board, resolve that any moneys investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserves, or any Capital Redemption Reserve Account, or to the credit of the Profit and Loss Account or

otherwise available for distribution or representing premiums received on the issue of shares and standing to the credit of the Share Premium Account be capitalised and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such members in or towards paying up in full any unissued shares of the Company to be allotted and distributed credited as fully paid-up to and amongst such members in the proportion aforesaid, or in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively, or partly in the one way and partly in the other, and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a Share Premium Account or a Capital Redemption Reserve Account may, for the purpose of this clause, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

Surplus Moneys

160. A general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income-tax, be distributed among the members on the footing that they receive the same as capital.

Fractional Certificate

161. For the purpose of giving effect to any resolution under the two last preceding Articles, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite a Proper contract shall be filed in accordance with section 39 of the Act, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

BOOKS AND DOCUMENTS

Books of Accounts to be kept

162. The Board shall cause to be kept proper books of account so as to give a true and fair view with respect to:-

(1) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;

(2) all sales and purchases of goods by the company;

(3) the assets and liabilities of the Company.

Where to be kept

163. The books of account shall be kept at the Office or at such other place in India (to be notified to the Registrar in accordance with section 234A of the Act) as the Board of Directors may decide and shall be open to inspection by the Directors during business hours.

Inspection by members

164. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members, and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by the law or authorised by the Board or by a resolution of the Company in general meetings.

ACCOUNTS AND BALANCE SHEETS

Profit and Loss Account and Balance Sheet

165. (1) At each Annual General Meeting the Board of Directors shall in accordance with the provisions of the Act and the Schedules thereto, cause to be prepared and laid before the Company a Balance Sheet and profit and Loss

Account made up to a date not earlier than the date of the meeting by more than six months (subject to the right of the Registrar to extend the period for any special reason by a period not exceeding three months) to which Balance Sheet and Profit and Loss Account there shall be attached copies of the Auditors' Report and of the Board of Directors' Report as required by the Act.

(2) The said Balance Sheet shall give a true and fair view of the state of affairs of the Company as at the end of the financial year of the Company and shall be in such form as may from time to time be prescribed by law or as near to such form as circumstances admit.

(3) The Profit and Loss Account shall be annexed to the Balance Sheet and shall give a true and fair view of the profit and loss of the Company and shall be in such a form as may from time to time be prescribed by law or as near to such form as circumstances admit.

AUDIT

Accounts to be audited annually

166. Once at least in every year the accounts of the Company shall be examined and the correctness of Balance Sheet and Profit and Loss Account ascertained by one or more Auditor or Auditors and the provisions of the Act in regard to audit and the appointment and qualification of Auditors shall be observed.

NOTICES

How notices to be served on member

167. (1) Subject to the provision of the Act read with provisions of Secretarial Standard 2, a notice or other document may be given by the Company to any member either by hand or by ordinary post or by speed post or by registered post or by courier or by facsimile or by E-mail or by any other means to his registered address or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the giving of notices of him.

(2) Where a notice or other document is sent by post

(a) service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice or document, provided that where a member has intimated to the Company in advance that notices or documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sufficient sum to defray the expenses of doing so, service of the notice or document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and

(b) such service shall be deemed to have been effected-

(i) in the case of a notice of meeting at the expiration of forty eight hours after the letter containing the same is posted and

(ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

Notices to members who have not supplied addresses

168. A notice or other document advertised in a newspaper circulating in the neighbourhood of the office shall be deemed to be duly served on the day on which the advertisement appears on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him. Any member who has no registered address in India shall, if so required to do by the Company, supply the Company with an address in India for the giving of notices to him.

Notice to members registered jointly

169. A notice or other document may be served by the Company on the members registered jointly in respect of a share by giving the notice to the joint holder named first in the Register of member.

Notice to persons entitled by transmission

170. A notice or other document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name,

or by the title of representatives of the deceased, or assignee of the insolvent or by any like description, at the address in India supplied for the purpose by the persons claiming to be so entitled, or, until such an address has been so supplied, by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

How to be advertised

171. Any notice required to be or which may be given by advertisement, shall be advertised once in one or more newspapers circulating in the neighbourhood of the Office.

When notice by advertisement deemed to be served

172. Any notice given by advertisement shall be deemed to have given on the day on which the advertisement shall first appear.

Transferee etc. bound by prior notices

173. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered on the Register shall be duly given to the person from whom he derives his title to such share.

Notice valid though member deceased

174. Subject to the provisions of Article 167 any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding such member be then deceased and whether or not the Company has notice of his death, he deemed to have been duly served in respect of share, whether registered solely or jointly with other persons, until some other person be registered in his stead as the member in respect thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or her heirs or legal representatives and all persons, if any, jointly interested with him or her in any such share.

Service of Process in winding up

175. Subject to the provisions of the sections 318 of the Act, in the event of a winding-up of the Company, every member of the Company who is not for the time being in Haryana shall be bound, within eight weeks after the passing of an effective resolution to wind up the Company voluntarily or the making of an order for the winding-up of the Company, to serve notice in writing on the Company appointing some householder residing in the neighbourhood of the Office upon whom all summonses, notices, process, orders ad judgements in relation to or under the winding- up of the Company may be served, and, in default of such nomination, the Liquidator of the Company shall be at liberty, on behalf of such member, to appoint some such person, and service upon any such appointee whether appointed by the member or the Liquidator shall be deemed to be good personal service on such member for all purposes, and where the Liquidator makes any, such appointment he shall with all convenient speed, give notice thereof to such member by advertisement in some daily newspaper circulating in the neighbourhood of the Office or by a registered letter sent by post and address to such member at his address as registered in the register and such notice shall be deemed to be served on the day on which the advertisement appears or the letter would be delivered in the ordinary course of the post. The provisions of this clause shall not prejudice the right of the Liquidator of the Company to serve any notice or other document in any other manner prescribed by these Articles.

RECONSTRUCTION

Reconstruction

176. On any sale of the undertaking of the Company, the Board or the Liquidators on a winding- up may, if authorised by a special resolution, accept fully paid or partly paid up shares, debentures or securities of any other company, whether incorporated in India or not either then existing or to be formed for the purchase in whole or in part of the property of the Company, and the Board (if the profits of the Company permits) or the Liquidators (in winding-up), may distribute such shares, or securities, or any other property of the Company amongst the members without realisation, or vest the same in trustees for them, and any special resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefits or property, otherwise than in accordance with the

strict legal rights of the members or contributories of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve, and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in case the Company is proposed to be or in the course of being wound up, such statutory rights (if any) under the Act as are incapable of being varied or excluded by these presents.

SECRECY

Secrecy

177. Every Director, Manager, Auditor, Trustee, Officer, member of a committee, servant, agent, accountant, or other person employed in the business of the Company shall, if so required by the Board before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company with its customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a court of law and except so far as may be necessary in order to comply with any of the provisions contained in these presents or the Memorandum of Association of the Company..

No share- holder to enter the premises of the Company without permission

178. No member or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's work, premises or properties of the Company without the permission of the Directors of the Company for the time being to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the members of the Company to communicate. In exercising their powers hereunder the Directors shall have an absolute discretion and shall be under no obligation whatsoever to assign any reason for the decisions made by them.

WINDING –UP

Distribution of Assets

179. If the Company shall be wound up and the assets available for distribution among the members as such are insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding-up on the shares held by them respectively. And if in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of winding- up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them respectively. But this Article shall be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

Distribution of assets in specie

180. If the Company shall be wound up whether voluntarily or otherwise the Liquidators may with the sanction of a special resolution of the company and any other sanction required by the Act, divide among the members in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of the property of the same kind or not and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the members or any of them as the Liquidators, with the like sanction, shall think fit.

INDEMNITY

Indemnity

181. Every officer for the time being of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in which relief is granted to hin by the court/ Tribunal.

Special Resolution passed on the 9th day of May, 1972.

"That the Regulations contained in the draft Articles of Association submitted to this meeting, and for the purpose of identification initialled by the Chairman hereof, be and are hereby approved and adopted as the Articles of Association of the Company, in substitution for, and to the exclusion of all existing Articles thereof."'

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Draft Letter of Offer), which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company situated at Stainless Centre, 4th Floor, Plot No. 50, Sector 32, Gurugram Haryana- 122 001 from 10.00 AM to 02.00 p.m. from the date of the Draft Letter of Offer until the date of closure of the Rights Issue.

A. Material Contracts

1. Issue Agreement dated May 24, 2017 entered between our Company and the Lead Manager
2. Agreement dated May 24, 2017 entered between our Company and the Registrar to the Issue
3. Banker to the Issue Agreement dated [●] between our Company, the Lead Manager, the Registrar to the Issue and Banker to the Issue.

B. Documents available for inspection

1. Certificate of Incorporation of our Company dated December 16, 1902.
2. Memorandum and Articles of Association of our Company.
3. Tripartite agreements dated October 09, 2015 and August 31, 2015 entered into with NSDL and CDSL respectively.
4. Copy of the Resolution passed by the Directors in their meeting dated April 07, 2017 approving the Issue.
5. Consents of the Promoters, Directors, Compliance Officer, Lead Manager to the Issue, Legal Counsel, Registrar to the Issue, Bankers to our Company, Statutory Auditors, Banker to the Issue to include their names in the Draft Letter of Offer to act in their respective capacities.
6. Copy of resolution appointing the Managing Director.
7. Shareholder's Resolution passed by the postal ballot dated May 23, 2017.
8. Annual Reports for the financial years ended March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013.
9. Restated Financial Statements for last five financial years ending March 31, 2017 by the auditors.
10. Statement of Tax Benefits dated May 31, 2017 received from the Statutory Auditors of our Company.
11. In-principle listing approval for this Issue dated [●] and [●] from BSE and NSE respectively.
12. SEBI Observation letter no. [●] dated [●].

Any of the contracts or documents mentioned in the Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

No statement made in the Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. All the legal requirements connected with the said issue as also the regulations, instructions etc. issued by SEBI, Government of India, Reserve Bank of India and any other competent authority in this behalf, have been duly complied with. We further certify that all statements made in the Draft Letter of Offer are true and correct.

On behalf of the Board of Directors of Shalimar Paints Limited

Sd/-
Gautam Kanjilal
Chairman

Sd/-
Surender Kumar
Managing Director and CEO

Sd/-
Pushpa Chowdhary
Director

Sd/-
Alok Perti
Director

Sd/-
Sandeep Gupta
Chief Financial Officer

Sd/-
Nitin Gupta
Company Secretary

Place: Gurugram
Date: June 29, 2017