

**MINUTES OF THE 111TH ANNUAL GENERAL MEETING OF THE
MEMBERS OF SHALIMAR PAINTS LIMITED HELD ON TUESDAY,
6TH AUGUST, 2013 AT ITS REGISTERED OFFICE AT GOABERIA,
P.O.: DANESH SHAIKH LANE, HOWRAH – 711 109 AT 11.00 A.M.**

Present :

Mr. Girish Jhunjhnuwala	:	Chairman
Dr. R. Srinivasan	:	Director & Chairman of Audit Committee
Mr. Ratan Jindal	:	Director
Mr. A. V. Lodha	:	Director
Mr. R Garg	:	Director
Mr. Sameer Nagpal	:	Managing Director

Hind Strategic Investments	represented by: Mr. Surya Jhunjhnuwala
Ever Plus Securities & Finance Co. Ltd	represented by: Mr. L.R.Jain
Jindal Equipment Leasing & Cons. Services Ltd.	represented by: Mr. D.Banthiya
Renuka Financial Services Ltd.	represented by: Mr. L.R.Jain
Manjula Finances Ltd.	represented by: Mr. L. R. Jain
Abhinandan Investments Ltd.	represented by: Mr. S. K Jain
Stainless Investments Ltd.	represented by: Mr. H. Kaushik
Nalwa Investments Limited	represented by: Mr. S.K Jain
Nalwa Sons Investments Ltd.	represented by: Mr. P Jain
Colorado Trading Co. Ltd	represented by: Mr. L. R. Jain
Hexa Securities & Finance Co. Ltd.	represented by: Mr. H. Kaushik
Sun Investments Pvt. Ltd.	represented by: Mr. P. Jain
Assured Fincap Pvt Ltd.	represented by: Mr L.R Jain

229 Members present in person and 10 Members present by proxy as per Attendance Slips.

In attendance:

Mr. D Banthiya : Company Secretary

1. CHAIRMAN

In accordance with Article 91 of the Articles of Association of the Company, Mr. Girish Jhunjhnuwala, Chairman of the Board of Directors, took the chair and the quorum being present, the Chairman declared the meeting as properly constituted.

2. REGISTER OF DIRECTORS' SHAREHOLDING

The Register of Directors' Shareholding was placed on the table and remained open for inspection throughout the meeting in accordance with the provisions of Section 307(7) of the Companies Act, 1956.

3. NOTICE, DIRECTORS' REPORT AND ACCOUNTS

The Chairman welcomed the shareholders at the 111th Annual General Meeting of the Company.

Thereafter, the notice dated 25th May 2013 convening the meeting, the audited Statement of Profit & Loss for the year ended 31st March 2013, the Balance Sheet as at 31st March, 2013 together with the Report of the Directors thereon, were taken as read with the permission of the shareholders present.

The Chairman in his speech, inter alia, mentioned that lack of political certainty and policy alignments had led to sluggish growth of economy resulting in GDP growth of only 5% in 2012-13. That resulted cutting down of investment plans by both public and private sector companies.

Despite all odds the Paint Industry managed a double digit growth led by expansion of distribution network, penetration of newer geographies, increasing of product basket and expansion of application base through consumers and applicators education on uses of paints. The paint industry which stood at Rs.26,000 cr in FY11-12, would expected to grow, as per IPA guidelines, to Rs.50,000 cr. by FY16-17. These projections offer significant opportunities of growth to your Company.

Despite all these adverse factors, your Company was able to align its performance in both the Decorative and Industrial segments to the industry growth during the year under review. During the year Company benefitted from weaker input costs but they were offset to a large extent by weak rupee.

The turnover of the Company had increased by 12% from Rs. 529 cr to 592 cr. In spite of the increase in revenue, certain non-recurring expenditures and increased bad debt provisions resulted in lower EBITDA of Rs.38.20cr and PAT of Rs.11.02 cr compared to last year of Rs.40.47cr and Rs.14.46 cr respectively.

The Chairman further informed that during the year under review, construction work started at the Chennai plant, whose objectives were since been realigned from regional coverage to high value growth products production. The plant would expected to be completed by end Q3 and commissioned by early Q4 of the current financial year.

The Board of your Company strongly believed that in order to accelerate growth and take your company to the next level of business, the profits should be ploughed back to operations to support the much needed working capital and long term funding. The Company would see the benefits accrued by this decision in the coming years.

The Chairman acknowledged that the results achieved by the Company were due to tremendous efforts put in by employees at all levels and also conveyed his thanks to the consortium of banks, financial institutions, shareholders, customers, suppliers and colleagues on the Board.

4. AUDITORS' REPORT

Mr. Debendra Banthiya, Company Secretary, on being called upon by the Chairman, read the Auditors' Report on the Accounts for the year ended 31st March 2013.

5. ADOPTION OF THE ANNUAL REPORTS AND ACCOUNTS

The following resolution was proposed by Mr. J. N. Kundu and seconded by Mr. S.L. Rathi as an Ordinary Resolution:

"RESOLVED THAT the Statement of Profit and Loss for the year ended 31st March 2013, the Balance Sheet as at that date and the Reports of the Directors and Auditors of the Company as submitted to the meeting, be and are hereby received and adopted."

Before putting the resolution to vote, the Chairman invited questions relating to the Reports and Accounts. Thereupon, some shareholders spoke and amongst the questions asked were those relating to shareholders value, dividend, discount coupon, rates & taxes and future marketing strategy etc.

The Chairman suitably replied to the questions and issues, raised by the shareholders, to their satisfaction.

Thereafter the resolution was placed before the members for voting by show of hands and was declared by the Chairman as carried unanimously.

6. RE-APPOINTMENT OF MR. GIRISH JHUNJHNUWALA

The next item was to re-appoint Mr. Girish Jhunjhnuwala, Chairman. He, being interested, requested Mr. Ratan Jindal, Director to move the resolution. Thereafter, Mr. Jindal moved the said item relating to re-appointment of Mr. Girish Jhunjhnuwala.

The Ordinary Resolution for the same was proposed by Mr. Amit Banerjee and seconded by Mr. A.K. Ganguly as an Ordinary Resolution:

"RESOLVED THAT Mr. Girish Jhunjhnuwala be and is hereby re-appointed as a Director of the Company."

The resolution having been duly proposed and seconded was placed before the meeting for voting by show of hands and was declared by Mr. Jindal as carried unanimously.

Thereafter Mr. Girish Jhunjhnuwala again took the Chair and moved the remaining items on the Agenda.

7. RE-APPOINTMENT OF MR. ADITYA VIKRAM LODHA

The following resolution was proposed by Mr. A k Ganguly and seconded by Mr. Punit Jain as an Ordinary Resolution:

"RESOLVED THAT Mr. Aditya Vikram Lodha be and is hereby re-appointed as a Director of the Company."

The resolution having been duly proposed and seconded was placed before the meeting for voting by show of hands and was declared by the Chairman as carried with requisite majority.

8. APPOINTMENT OF AUDITORS

The following resolution was proposed by Mr. S. Mallick and seconded by Mr. B.K. Sarkar as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 224 of the Companies Act, 1956, the retiring Auditors, M/s. Chaturvedi & Partners be and are hereby re-appointed Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors be and is hereby authorized to fix their remuneration on such terms and conditions as the Board may deem fit."

The resolution having been duly proposed and seconded was put to vote by show of hands and was declared by the Chairman as carried with requisite majority.

9. APPOINTMENT OF MR. SAMEER NAGPAL AS DIRECTOR OF THE COMPANY

The following resolution was proposed by Mr. J.N. Kundu and seconded by Mr. T.K. Dutta as an Ordinary Resolution:

"RESOLVED THAT Mr. Sameer Nagpal be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

The resolution having been duly proposed and seconded was put to vote by show of hands and was declared by the Chairman as carried with requisite majority.

10. APPOINTMENT OF MR. SAMEER NAGPAL AS A MANAGING DIRECTOR OF THE COMPANY AND TO FIX HIS REMUNERATION

The following resolution was proposed by Mr. S.K Pal and seconded by Mr. Amit kumar Banerjee as a Special Resolution:

"RESOLVED THAT subject to such approvals as might be necessary, the Company hereby accords its approval and consent under Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, to the appointment and terms of remuneration of Mr. Sameer Nagpal as the Managing Director of the Company for a period of three years from 25th May, 2013 on the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors ('the Board') to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. Sameer Nagpal."

The resolution having been duly proposed and seconded was put to vote by show of hands and was declared by the Chairman as passed with requisite majority.

11. GRANT ESOP TO EMPLOYEES OF THE COMPANY

The following resolution was proposed by Mr. J.N. Kundu and seconded by Mr. T.K. Dutta as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81(1A), and all other applicable provisions, if any, of the Companies Act 1956, the

Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as "SEBI Guidelines"), Foreign Exchange Management Act, 1999, the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed and other relevant authorities, from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company, whether working in India or out of India, including any Director of the Company, whether whole time or otherwise, options exercisable into such number of equity shares being not more than 5% of the Paid-up Equity Share Capital of the Company at any point of time, either directly and / or through a Trust, under one or more Employee Stock Option Schemes, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant Authorities.

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

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot Equity shares upon exercise of options from time to time in accordance with the employee stock option Schemes and such Equity shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.

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

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

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

The resolution having been duly proposed and seconded was put to vote by show of hands and was declared by the Chairman as passed with requisite majority.

12. GRANT ESOP TO EMPLOYEES OF THE SUBSIDIARY COMPANIES

The following resolution was proposed by Mr. T.K. Dutta and seconded by Mr. B.K. Sarkar as a Special Resolution:

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

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

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

The resolution having been duly proposed and seconded was put to vote by show of hands and was declared by the Chairman as passed with requisite majority.

13. GRANT STOCK OPTIONS TO MR. SAMEER NAGPAL, MANAGING DIRECTOR & THE CEO OF THE COMPANY IN EXCESS OF 1% OF THE ISSUED CAPITAL

The following resolution was proposed by Mr. Amit Banerjee and seconded by Mr. Anjan Bhattacharya as a Special Resolution:

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

The resolution having been duly proposed and seconded was put to vote by show of hands and was declared by the Chairman as passed with requisite majority.

There being no other business, the meeting concluded with a vote of thanks to the Chair.

Sd/-

CHAIRMAN