



Date: January 19, 2022

To,

The Board of Directors

Shalimar Paints Limited

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

Sub: Certificate of Practicing Company Secretary to Shalimar Paints Limited (CIN L24222HR1902PLC065611) pursuant to regulation 163 (2) contained in Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.

1. This certificate is issued in accordance with the requirement of sub-regulation 2 of Regulation 163 under Chapter V of the Securities and Exchange Board of India (the ‘SEBI’) (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time including the amendment vide Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022 (the ‘SEBI Regulations’).
2. As required, we have examined the compliance with the relevant regulations of Chapter V of the SEBI Regulations for preferential issue of equity shares and 9% optionally convertible debentures of Shalimar Paints Limited (the ‘Company’) to be issued an allotted to Hella Infra Market Private Limited (‘Investor’) approved by the Board of Directors (the ‘Board’) in its meeting held on January 18, 2022.
3. In terms of the SEBI Regulations and other applicable laws, the Company has approved a notice along with the explanatory statement dated January 18, 2022 (together referred to as the ‘Notice’) to be sent to the shareholders of the Company pursuant to provisions of Section 101 & 102 of the Companies Act, 2013 (the ‘Act’) read with the Companies (Management and Administration) Rules, 2014 as amended and other applicable provisions of the Act, if any, and relevant circulars issued by the Ministry of Corporate Affairs, Government of India (“MCA”) and Securities and Exchange Board of India (“SEBI”), seeking the consent of the shareholders, in the Extra-Ordinary General Meeting (‘EGM’) scheduled to be held on February 10, 2022, in relation to: (a) the proposed issue of 1,79,16,667 (One crore seventy nine lakh sixteen thousand six hundred and sixty seven) equity shares of the Company of face value of Rs. 10 each, fully paid up, on a preferential issue and private placement basis, at a price of Rs. 120 (Rupees one hundred and twenty) (including a premium of Rs. (Rupees one hundred and eighteen)) per equity share as per Item No. 1 to the Notice of EGM; and (b) proposed issue of 30,55,556 (thirty lakh fifty five thousand five hundred and fifty six) 9% Optionally Convertible Debentures of the Company (‘OCDs’) of face value of Rs. 180 each on a preferential basis, at a price of Rs. 180 (Rupees one hundred and eighty) per OCD, and for such OCDs to be convertible into equity shares of the Company (‘Conversion Shares’) at the sole discretion of the Investor in accordance with the terms of issue thereof at a conversion price Rs. 180 (Rupees one hundred and eighty) as per Item No. 2 to the Notice.

Management’s Responsibility:

4. The compliance with the aforesaid SEBI Regulations for the preferential allotment of equity shares and OCDs and preparation of the aforesaid Notice, including its content in respect of Item No. 1 and 2 is the responsibility of Management of the Company. Management is also responsible for preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Notice and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.



-
5. Management is also responsible for providing all relevant information to the SEBI, and/or BSE Limited ('BSE') and/or the National Stock Exchange of India Limited ('NSE').
 6. Management is also responsible for ensuring that the Company complies with the below requirements of the SEBI Regulations:
 - a. Determination of the relevant date, being the date thirty days prior to the date on which the meeting of shareholders is being held to consider the proposed preferential issue.
 - b. Determination of the minimum price of equity shares in accordance with the SEBI Regulations including Regulations 164 and 166A of the SEBI Regulations;
 - c. Compliance with other requirements specified under the SEBI Regulations.

Our responsibility:

7. Pursuant to the SEBI Regulations, it is our responsibility to obtain reasonable assurance as to whether the proposed preferential issue of the Company is in accordance with the SEBI Regulations.
8. We have not performed an audit, the objective of which would be expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such an opinion.
9. For the purpose of this certificate, we have performed the following procedures to determine whether anything has come to our attention that causes us to believe that the proposed preferential issue of equity shares and OCDs as set out in Item No. 1 & 2 of the Notice is in accordance with the requirements of the SEBI Regulations:
 - a) With respect to conditions specified in Regulations 159 & 160 of the SEBI Regulations, we have performed the following procedures to confirm the compliance with required conditions:
 - verified that the Company has obtained requisite undertaking from the proposed allottee to ensure that they have not sold or transferred any equity shares of the Company during the ninety trading days preceding the relevant date of 11 January 2022 and proposed allottee is not a wilful defaulter or a fraudulent borrower;
 - obtained confirmation from the Company to verify the 'pre-preferential holding' of equity shares of the Company held by the proposed allottees, if any and such 'pre-preferential holding' is held in the dematerialized form;
 - examined the Notice to be issued and confirmed that the preferential issue of equity shares and OCDs of the Company shall be made fully paid up at the time of allotment;
 - examined the Notice to be issued and confirmed that the special resolutions for proposed preferential issue of equity shares and OCDs of the Company is included in the same;
 - enquired with the management of the Company and obtained representation to confirm that the Company has adhered to conditions for continuous listing of equity shares as specified in the listing agreement with the stock exchanges where the equity shares of the issuer is listed;
 - verified that the Company has obtained Permanent Account Number ('PAN') of the proposed allottee; and
 - verified the eligibility of the Company to issue and allot equity shares and OCDs as per SEBI Regulations and compliance with other conditions stated therein.



MAKS & CO.

Company Secretaries

FRN: P2018UP067700

O: 516, Wave Silver Tower, Sector 18, Noida – 20130

E: services@forecoreprofessionals.com

T: +91-120-5178033

-
- b) We have reviewed the Notice and verified that the disclosures as required under Regulation 163 (1) of the SEBI Regulations in the Notice have been provided. We also reviewed the board resolutions passed by the Board at its meeting held on January 18, 2022.
 - c) We have verified compliance with respect to minimum price for preferential issue of the Equity Shares, OCDs and the Conversion Shares (to be issued should the Investor decide to exercise its option to convert) are in accordance with Regulations 164 (1) and 166A of the SEBI Regulations.
 - d) We note that the relevant date in relation to the proposed preferential issue i.e., January 11, 2022, is the date being thirty days prior to the date on which the meeting of shareholders is scheduled to be held to consider the proposed preferential issue.

Conclusion:

- 10. Based on the procedures performed as mentioned above and information, explanations and representations provided by the Company, nothing has come to our attention that causes us to believe that the proposed preferential issue of equity shares and OCDs being made would not be in accordance with Chapter V of the SEBI Regulations except that the special resolution(s) required for approval of shareholders for proposed preferential issue are yet to be passed as required by the SEBI Regulations.

Restriction of use:

- 11. This certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of placing it before the shareholders' of the Company at the extraordinary general meeting and to comply with its obligations under the SEBI Regulations (including providing a link of this certificate in the Notice and uploading this certificate on the website of the Company). Further, the Company may share this certificate with the Investor. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Thanking You.

Yours sincerely,

For **MAKS & Co.,**
Company Secretaries
[FRN P2018UP067700]

Mohit Maheshwari

Partner

Membership No:F9565

Certificate of Practice No:19946

UDIN:F009565C002224558

Date: January 19, 2022

Place: Noida, U.P.