



**SHALIMAR
PAINTS**

June 26, 2021

BSE Limited
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building, P.J. Towers,
Dalal Street, Fort, Mumbai - 400 001

National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor,
Plot No. C/1, G- Block
Bandra Kurla Complex, Bandra (E),
Mumbai – 400051

Reference Scrip Code- NSE-SHALPAINTS, BSE-509874

Subject- Submission of Report of Monitoring Agency

Dear Sir/Madam,

Please find enclosed report of Monitoring Agency given by State Bank of India, Industrial Finance Branch 102 Natraj,, 194, Sir, M.V Road, W.E Highway- Metro Junction, Andheri (E) Mumbai-400069, along with the Board Comments on the same.

We request you to kindly take the same on records and acknowledge the receipt.

This is for your information and records.

Thanking you

For **Shalimar Paints Limited**


Mohit Denter
Chief Financial Officer



**SHALIMAR
PAINTS**

Shalimar Paints Ltd.

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

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

Call: +91 124 461 6600 Fax: +91 124 461 6659 Toll Free: 1800-103-6509

Email Id: askus@shalimarpaints.com Website: www.shalimarpaints.com CIN: L24222HR1902PLC065611



भारतीय स्टेट बैंक
भारतीय स्टेट बैंक
STATE BANK OF INDIA

Shalimar Paints Limited
Stainless Steel Centre
1st Floor plot no 28
Sector 32 Gurugram
122001

IFBA/AMT-II/2021-22/91

18.06.2021

SHALIMAR PAINTS LIMITED
REPORT OF THE MONITORING AGENCY

With reference to above please find enclosed report of the monitoring agency as on 31.03.2021, for the Right Issue proceeds in the prescribed format.

Yours Faithfully,

AGM & Relationship Manager

bank.sbi

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+91 22 2682 3370 / 2682 1310
+91 22 2683 3001 / 2683 1648
sbi.04732@sbi.co.in

औद्योगिक वित्त शाखा, अंधेरी,
102, नटराज, 194, सर एम.व्ही. मार्ग,
प.दु. मार्ग-मेट्रो जंक्शन, अंधेरी (पूर्व),
मुंबई - 400 069.

औद्योगिक वित्त शाखा, अंधेरी,
102, नटराज, 194, सर एम.व्ही. मार्ग,
प.दु. मार्ग-मेट्रो जंक्शन, अंधेरी (पूर्व),
मुंबई - 400 069.

Industrial Finance Branch, Andheri,
102, Natraj, 194, Sir M.V. Road,
W.E. Highway-Metro Junction,
Andheri (E), Mumbai - 400 069.



S.K. BADJATYA & CO.
CHARTERED ACCOUNTANTS

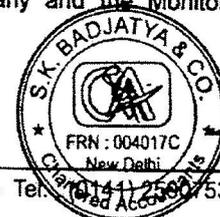
307, D.R. Chambers 12/56, D. B. Gupta Road, Karol Bagh, New Delhi-110005
Tel.: 23612570, Telefax : 011 23637458 Mobile : 9810163640
E-mail : jainsudhir_ca@rediffmail.com, sjskbadjatya@gmail.com

To

Shalimar Paints Limited,
Corp. Office: 1st Floor,
Plot No- 28, Sector 32,
Gurugram, Haryana-122001

Sub.: Certificate for utilisation of proceeds of Right Issue during quarter ending 31st March 2021

1. We have verified the unaudited books of account and other relevant records of Shalimar Paints Limited ("Company"), as at "31st March 2021", in connection with its Rights Offer vide its Letter of Offer and utilization of the net issue proceeds as per the object of the Issue given in the said Letter of Offer.
2. We have verified the details of the utilization of the net issue proceeds submitted by the Company and are as per Annexure to this certificate, initialed by us for identification purposes only, based on the unaudited books of account and relevant records referred to in paragraph 1 above. We have agreed the amounts included in the Annexure with the unaudited books of account and relevant records of the Company as at 31st March 2021. We have verified the accuracy of the Annexure. Our responsibility is to verify the factual accuracy of the facts stated in the Annexure.
3. We conducted our procedures in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India.
4. We have performed necessary audit so as to ensure the accuracy of figures mentioned in the Annexure. We also confirm that the utilization of proceeds of the issue is in line with the section on "Objects of the Issue" mentioned in the Letter of Offer.
5. On the basis of the unaudited books of account and relevant records, information and explanations provided to us and representation from the management of the Company, we certify the utilization of the net issue proceeds as given in the accompanying Annexure.
6. We hereby declare that this report is based on the format as prescribed by SEBI Regulations. I/We further declare that this report provides true and fair view of the utilization of issue proceeds.
7. We declare that we do not have any direct / indirect interest in or relationship with the issuer/promoters/directors/management and also confirm that we do not perceive any conflict of interest in such relationship / interest while monitoring and reporting the utilization of issue proceeds by the issuer.
8. This certificate is furnished solely for submission to State Bank of India (the Monitoring Agency) regarding the utilization of the net issue proceeds in terms of Clause 4.3 of the Monitoring Agency Agreement dated 1st December 2018 between the Company and the Monitoring



JAIPUR OFFICE : A-55, Van Vihar Colony, Tonk Road, Jaipur - 302018 Tel. (0141) 2550753

Agency, ("Monitoring Agency Agreement"), and is not to be used for any other purpose or to be distributed to any other parties without our prior written consent.

Capitalized terms not defined herein shall have the meaning ascribed to them in the Monitoring Agency Agreement.

For S.K. Badjatya & Co.
Chartered Accountants
FRN: 004017C



CA. Sudhir K. Jain
Partner

Membership No.: 072282

UDIN: 21072282AAAAAZ8220

Date: 14th June 2021

Address: 307, D.R. Chambers,
12/56, D.B. Gupta Road,
Karol Bagh, New Delhi-110005

Encl.: Annexure for Utilisation of Proceeds of Right Issue during quarter ended 31st March '21

**SCHEDULE XI - FORMAT OF REPORT TO BE SUBMITTED BY THE MONITORING
AGENCY**

[See regulation 82(2) and 82(3)]

Report of the Monitoring Agency

Name of the issuer: **Shalimar Paints Limited**

For quarter ended: March 31st 2021.

Name of the Monitoring Agency: **State Bank of India, Industrial Financial Branch, Andheri East, Mumbai- 400069**

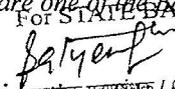
(a) Deviation from the objects: Due to lower Subscription of 92.28% in the Rights Issue, the proceeds from the Rights Issue amounted to Rs. 20,087.24 Lakhs instead of Rs. 21,767.15 Lakhs as per the Letter of Offer. Accordingly, the amount allocated in some of the Objects has been modified. In view of additional Working Capital requirement, there is increase in the allocation of funds towards Long Term Working Capital Requirement – The major Object of the Issue. Further, the same is adjusted through reduction in estimated cost of Setting up of Paints manufacturing plant at Nashik including Regional Distribution Centre (RDC) at Nashik.

(b) Range of Deviation*: The Company received Rs. 20,087.24 Lakhs from the proceeds of the Rights Issue in view of lower subscription instead of Rs. 21,767.15 Lakhs. Accordingly, the amount allocated in some of the Objects was modified. Further, in view of additional Working Capital requirements and reduction in estimated cost of Setting up of Paints manufacturing plant at Nashik including Regional Distribution Centre (RDC) at Nashik, the utilisation for Long Term Working Capital has increased by 3.21%.

Declaration:

We declare that this report is based on the format prescribed by the SEBI (ICDR) Regulations, 2018, We further declare that this report provides a true and fair view of the utilization of the issue proceeds.

We declare that we do not have any direct/indirect interest in or relationship with the issuer/promoters/directors/management and also confirm that we do not perceive any conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer. However, we are one of the Bankers to the Company and have extended Credit Facilities to it.

Signature: 

Name and designation of the Authorized Signatory: *Manager*

Designation of Authorized person/Signing Authority: *Authorized Signatory*

Seal of the Monitoring Agency: *Ind. Finance Br. An.*

Date: [18.06.2021]



1) **Issuer Details:**

Name of the issuer : **Shalimar Paints Limited**
Names of the promoter : Mr. Ratan Jindal and Hind Strategic Investments
Industry/sector to which it belongs: **Paint & Coatings**

2) **Issue Details**

Issue Period : December 03, 2018 to December 24, 2018
Type of issue (public/rights) : **Rights Issue**
Type of specified securities : **Equity Shares of the Company**
IPO Grading, if any : Not applicable
Issue size (Rs, In Lacs) : **Rs.21,767.15 Lakhs (Final Figure of Subscription was Rs. 20,087.24 Lakhs)**

3) **Details of the arrangement made to ensure the monitoring of issue proceeds:**

(Give item by item description for all the objects stated in the offer document separately in following format)

Particulars	Reply	Comments of the Monitoring Agency	Comments the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes/ No	Yes#	
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Yes/ No	No	
Whether the means of finance for the disclosed objects of the issue has changed?	Yes/ No	No	
Is there any major deviation observed over the earlier monitoring agency reports?	Yes/ No	No	
Whether all Government/statutory approvals related to the object(s) have been obtained?	Yes/ No	Yes	
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Yes/ No	Yes	
Are there any favorable events improving the viability of these object(s)?	Yes/ No	Yes	
Are there any unfavorable events affecting the viability of the object(s)?	Yes/ No	No	
Is there any other relevant information that may materially affect the decision making of the investors?	Yes/ No	No	

However, the utilization in different heads of the Objects of the Issue had to be modified in view of lesser proceeds collected in the Rights Issue due to lower subscription to the extent of 92.28% and as well as slightly changed requirement in various heads.

*Where material deviation may be defined to mean:

- Deviation in the objects or purposes for which the funds have been raised
- Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

4) **Details of object(s) to be monitored:**

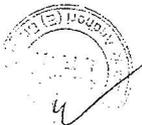
(i) Cost of object(s)

(Give Item by Item Description for all the Objects Stated in Offer Document separately in following format)

(Rs. In Lacs)

Sl. No	Item Head	Original Cost (as per the Offer Document)	Revised Cost *	Comments of the Monitoring Agency	Comments of the Board of Directors		
					Reason of cost revision	Proposed financing option	Particulars of firm arrangements made
1(a)	Project of Reinstatement of paint manufacturing plant at Nashik	5,152.13	5152.13 Revised to 5075.78 Lacs	No significant Change			
2(b)	Setting up of Regional Distribution Centre (RDC) at Nashik	340.00	340 (Revised to 40.00)	The revised cost of smaller RDC would be Rs. 40 Lacs.			
2	Long Term Working Capital Requirements	13,500.00	12,187.80 (Further Revised to 12,564.15)	In view of Lower Subscription at 92.28% in the Rights Issue, the amount allocated was reduced after allotment in the Rights Issue. Further, to meet the additional Working Capital Requirement, the allocation for Long Term Working Capital Requirements has been increased by Rs.376.35 Lakhs to Rs. 12,564.15 Lakhs			
3	General Corporate purposes	3,782.75	3,415.07	In view of Lower Subscription at 92.28% in the Rights Issue, the amount allocated was reduced after allotment in the Rights Issue			
4	Expenses for the issue	92.00	92.00	No Change in Proposed cost			
	Total	22,866.88	21,186.99				

* Including Rs.20087.26 Lakhs from Rights Issue proceeds and Rs. 1099.73 lakhs received as Insurance claim for Nashik Plant.



(ii) Progress in the object(s) -

(Give item by item description for all the Objects stated in the Offer Document in the following format)

(Rs. In Lacs)

Sr. No.	Item Head	Amount as proposed in the Offer Document (Revised)*	Amount utilized till March 31, 2021			Total unutilized amount	Comments of the Monitoring Agency	Comments of the Board of Directors	
			As at beginning of the quarter (Including Insurance claim proceeds)	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
1(a)	Project of Reinstatement of paint manufacturing plant at Nashik	5152.13 Revised to 5075.78 Lacs	4,840.24	39.37	4,879.61	196.17	Utilisation as disclosed in Letter of Offer #		
2(b)	Setting up of Regional Distribution Centre (RDC) at Nashik	340 (Revised to 40.00)	40.00	-	40.00	-	As per the revised cost given Cost of Object(S)#		
2	Long Term Working Capital Requirements	12,187.80 (Further Revised to 12,564.15)	12,564.15	-	12,564.15	-	Modification from Rs. 13,500.00 Lakhs to Rs. 12,187.80 Lakhs*. Further revised to Rs. 12564.15 Lakhs		
3	General Corporate purposes	3,415.07	3,415.07	-	3,415.07	-	Modification from Rs. 3,782.75 Lakhs to Rs. 3,415.07 Lakhs.		
4	Expenses for the issue	92.00	92.00	-	92.00	-	Utilisation as disclosed in Letter of Offer		
	Total	21,186.99	20,951.46	-	20,990.83	196.17			

* In view of Lower Subscription in the Rights Issue, the amount allocated to the Objects were reduced.
#As on March 31, 2021, Rs. 196.17 Lakhs are outstanding which are being paid to vendors of Project.



Provide following details under Item Head:

(a) Name of the object(s):

(b) Brief description of the object(s):

(c) Location of the object(s) (if applicable):

(iii) Deployment of unutilised IPO proceeds:

(Rs. In Lacs)

Sr. No.	Type of instrument and name of the entity invested in	Amount invested	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter*
1	Balance with Bank	196.17	NA	NA	NA	196.17
	Total Available balance	196.17				196.17

* Where the market value is not feasible, provide NAV/NRV/Book Value of the same

(iv) Delay in implementation of the object(s)

(Rs. In Lacs)

Object(s)	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the Offer Document	Actual*		Reason of delay	Proposed course of action
Project of Reinstatement of paint manufacturing plant at Nashik	31-03-2019	Completed in May 2019 commercial production started in August 2019	2 Month		
Setting up of Regional Distribution Centre (RDC) at Nashik	31-03-2019	Completed in March 2020	12 Month		
Long Term Working Capital Requirements	31-03-2019	Completed			
General Corporate purposes	31-03-2019	Completed			
Expenses for the issue	31-03-2019	Completed			

* In case of continuing object(s), please specify latest/revised estimate of the completion date.



**SHALIMAR
PAINTS**

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Name of the issuer : **Shalimar Paints Limited**
Names of the promoter : Mr. Ratan Jindal and Hind Strategic Investments
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IPO Grading, if any : Not applicable
Issue size (Rs, In Lacs) : **Rs.21,767.15 Lakhs (Final Figure of Subscription was Rs. 20,087.24 Lakhs)**

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

(Give item by item description for all the objects stated in the offer document separately in following format)

Particulars	Reply	Comments of the Monitoring Agency	Comments the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes/ No	Yes#	Yes#
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Yes/ No	No	No
Whether the means of finance for the disclosed objects of the issue has changed?	Yes/ No	No	No.
Is there any major deviation observed over the earlier monitoring agency reports?	Yes/ No	No	No
Whether all Government/statutory approvals related to the object(s) have been obtained?	Yes/ No	Yes	Yes
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Yes/ No	Yes	Yes
Are there any favorable events improving the viability of these object(s)?	Yes/ No	Yes	Yes
Are there any unfavorable events affecting the viability of the object(s)?	Yes/ No	No	No
Is there any other relevant information that may materially affect the decision making of the investors?	Yes/ No	No	No



Shalimar Paints Ltd.

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E: askus@shalimarpaints.com | www.shalimarpaints.com | CIN: L24222HR1902PLC065611

However, the utilization in different heads of the Objects of the Issue had to be modified in view of lesser proceeds collected in the Rights Issue due to lower subscription to the extent of 92.28% and as well as slightly changed requirement in various heads.

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4) Details of object(s) to be monitored

(i) Cost of object(s)

(Give Item by Item Description for all the Objects Stated in Offer Document separately in following format)

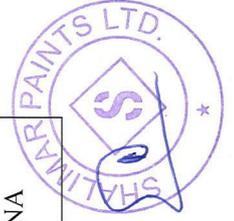
Sl. No	Item Head	Original Cost (as per the Offer Document)	Revised Cost *	Comments of the Monitoring Agency	Comments of the Board of Directors		
					Reason of cost revision	Proposed financing option	Particulars of firm arrangements made
1(a)	Project of Reinstatement of paint manufacturing plant at Nashik	5,152.13	5152.13 Revised to 5075.78 Lacs	No significant Change	No significant Change	No	No
2(b)	Setting up of Regional Distribution Centre (RDC) at Nashik	340.00	340 (Revised to 40.00)	The revised cost of smaller RDC would be Rs. 40 Lacs.	Smaller Regional Distribution Centre (RDC) has been setup.	NA	NA
2	Long Term Working Capital Requirements	13,500.00	12,187.80 (Further Revised to 12,564.15)	In view of Lower Subscription at 92.28% in the Rights Issue, the amount allocated was reduced after allotment in the Rights Issue. Further, to meet the additional Working Capital Requirement, the allocation for Long Term Working Capital Requirements has been increased by Rs.376.35 Lakhs to Rs. 12,564.15 Lakhs	In view of Lower Subscription at 92.28% in the Rights Issue, the amount allocated was reduced after allotment in the Rights Issue. Further, to meet the additional Working Capital Requirement, the allocation for Long Term Working Capital Requirements has been increased by Rs.376.35 Lakhs to Rs. 12,564.15 Lakhs	NA	NA
3	General Corporate purposes	3,782.75	3,415.07	In view of Lower Subscription at 92.28% in the Rights Issue, the amount allocated was reduced after allotment in the Rights Issue	In view of Lower Subscription at 92.28% in the Rights Issue, the amount allocated was reduced after allotment in the Rights Issue	NA	NA
4	Expenses for the issue	92.00	92.00	No Change in Proposed cost	NA	NA	NA
	Total	22,866.88	21,186.99				

* Including Rs.20087.26 Lakhs from Rights Issue proceeds and Rs. 1099.73 lakhs received as Insurance claim for Nashik Plant.



(ii) Progress in the object(s) -
(Give item by item description for all the Objects stated in the Offer Document in the following format)

Sr. No.	Item Head	Amount as proposed in the Offer Document (Revised)*	Amount utilized till March 31, 2021			Total unutilized amount	Comments of the Monitoring Agency	Comments of the Board of Directors	
			As at beginning of the quarter (Including Insurance claim proceeds)	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
1(a)	Project of Reinstatement of paint manufacturing plant at Nashik	5152.13 Revised to 5075.78 Lacs	4,840.24	39.37	4,879.16	196.17	Utilisation as disclosed in Letter of Offer #	Due to delay in structural supply & Due to COVID 19	Balance amount will be paid as per respective PO and retention clause.
2(b)	Setting up of Regional Distribution Centre (RDC) at Nashik	340 (Revised to 40.00)	40.00	-	40.00	-	As per the revised cost given Cost of Object(S)#	Fully Utilised	NA
2	Long Term Working Capital Requirements	12,187.80 (Further Revised to 12,564.15)	12,564.15	-	12,564.15	-	Modification from Rs. 13,500.00 Lakhs to Rs. 12,187.80 Lakhs*. Further revised to Rs. 12564.15 Lakhs	Fully Utilised	NA
3	General Corporate purposes	3,415.07	3,415.07	-	3,415.07	-	Modification from Rs. 3,782.75 Lakhs to Rs. 3,415.07 Lakhs.	Fully Utilised	NA
4	Expenses for the issue	92.00	92.00	-	92.00	-	Utilisation as disclosed in Letter of Offer	Fully Utilised	NA



Total	21,186.99	20,951.46	39.37	20,990.83	196.17
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* In view of Lower Subscription in the Rights Issue, the amount allocated to the Objects were reduced.
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1	Balance with Bank	196.17	NA	NA	NA	196.17
	Total Available balance	196.17				196.17

* Where the market value is not feasible, provide NAV/NRV/Book Value of the same

(iv) Delay in implementation of the object(s)

(Rs. In Lacs)

Object(s)	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the Offer Document	Actual*		Reason of delay	Proposed course of action
Project of Reinstatement of paint manufacturing plant at Nashik	31-03-2019	Completed in May 2019 commercial production started in August 2019	2 Month	The delay was due to delay in construction of plant.	Reinstatement completed
Setting up of Regional Distribution Centre (RDC) at Nashik	31-03-2019	Completed in March 2020	12 Month	Since the construction of main plant got delayed, the construction of RDC also got delayed	NA
Long Term Working Capital Requirements	31-03-2019	Completed		Completed	NA
General Corporate purposes	31-03-2019	Completed		Completed	NA
Expenses for the issue	31-03-2019	Completed		Completed	NA

* In case of continuing object(s), please specify latest/revised estimate of the completion date.

