

May 25, 2019

Shalby/SE/2019-20/16

The Listing Department
National Stock Exchange of India Ltd
Mumbai 400 051.

Corporate Service Department
BSE Limited
Mumbai 400 001.

Scrip Code : SHALBY

Scrip Code: 540797

Sub.: Statement of Utilization of issue proceeds of IPO proceeds as on March 31, 2019 - Disclosure under Regulation 32 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("the SEBI LODR")

Dear Sir/Madam,

In terms of Regulation 32 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we are enclosing herewith Utilization of issue proceeds of IPO as on March 31, 2019 as reviewed by Audit Committee at its meeting held on today, i.e. May 25, 2019. We also enclose herewith Monitoring Agency Report for the quarter ended March 31, 2019 issued by HDFC Bank Ltd., for utilization of issue proceeds of Initial Public Offer of the Company.

You are requested to kindly take the same on your records.

Yours faithfully,
For **Shalby Limited**



Jayesh Patel
Company Secretary & Compliance Officer
Mem. No: ACS14898



Encl.: as above

Statement of Utilization of Issue proceeds, including deviation or variation, if any, pursuant to regulation 32 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015

Name of Issuer: Shalby Limited
Quarter ended: March 31, 2019

Particulars	(₹ in million)
Gross Proceeds of Fresh Issue	4,800.00
(Less) Fresh Issue related expenses	235.72
Net Proceeds	4,564.28

1. The statement of category wise utilization of issue proceeds are as under.


Particulars	Amount to be Funded from the Net Proceeds	Actual Utilization up to quarter ended March 31, 2019	(₹ in million) Pending for utilization as on March 31, 2019
Repayment or prepayment in full or in part of certain loans availed by our Company	3,000.00	3000.00	-
Purchase of medical equipment for existing, recently set up and upcoming hospitals	635.80	147.22	488.58
Purchase of interiors, furniture, and allied infrastructure for upcoming hospitals	111.84	-	111.84
General corporate purposes	816.64	726.69	89.95
Total	4,564.28	3,873.91	690.37

Unutilized amount of net issue proceeds of ₹ 690.37 million have been invested as Bank FD.

2. Deviation/variation in the use of issue proceeds from the objects as stated in the offer document and in explanatory statement to the notice for the general meeting.

There is no deviation in the use of net issue proceeds from the Initial Public Offer as stated in the Prospectus dated December 11, 2017 ("offer document"). However, the utilization is not as per the timeline that was originally proposed in the Offer Document. There is a delay in utilization of the IPO Proceeds which is within the extended timeline provided in the Offer Document

For Shalby Limited


Prahlad Rai Inani
Chief Financial officer



Place: Ahmedabad
Date: May 25, 2019



We understand your world

HDFC BANK LTD
I Think Techno Campus
Building - Alpha Next to
Kanjur Marg Railway station
(East) Kanjur Marg (E)
Mumbai - 400 042

SCHEDULE IX

MONITORING REPORT

NAME OF THE MONITORING AGENCY: HDFC Bank Limited

MONITORING REPORT FOR THE QUATERLY ENDED: March 31, 2019

(1) Name of the Issuer: Shalby Limited

(a) Deviation from the objects: N.A

(b) Range of Deviation*: NIL [For delay in utilization of IPO Proceeds refer Note 1, 2 & 3 at the end of the report]

Declaration:

We hereby declare that this report is based on the format as prescribed by SEBI (ICDR) Regulations, 2009, as amended. I/We further declare that this report provides true and fair view of the utilization of 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 issue proceeds by the issuer.

Signature:

Name of the Authorized Person/Signing Authority: Siddharth Jadhav

Designation of Authorized person/Signing Authority: Senior Manager

Seal of the Monitoring Agency:



Date: 24/05/2019

www.hdfcbank.com

Regd. Office: HDFC Bank Ltd., HDFC Bank House, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013.

Corporate Identity No.: L65920MH1994PLC080618

1. Issuer Details:

Name of the issuer	Shalby Limited
The names of the promoters of the issuer	Dr. Vikram Shah
	Dr. Darshini Shah
	Shanay Shah
	Zodiac Mediquip Limited
Shah Family Trust	
Industry/sector to which it belongs	Healthcare

2. Issue Details:

Issue Period	December 05, 2017 to December 07, 2017
Type of issue (public/rights)	Initial Public Offering
Type of specified securities	Equity Shares
Grading	NA
Issue size	Rs. 4,800.00 million
Issue Expenses	Rs. 235.73 million
Net Proceeds	Rs. 4,564.28 million



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

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

Particulars	Reply	Repayment or prepayment in full or in part of certain loans availed by our Company		Purchase of medical equipment for existing, recently set up and upcoming hospitals		Purchase of interiors, furniture, and allied infrastructure for upcoming hospitals	
		Comment of Monitoring Agency	Comments of Board of Directors	Comment of Monitoring Agency	Comments of Board of Directors	Comment of Monitoring Agency	Comments of Board of Directors
Whether all the utilization is as per disclosure in Offer Document?	Yes/ No	Yes	Yes	Yes	Yes	Yes	Yes
				[However, the utilization is not as per the timeline that was originally proposed in the Offer Document. There is a delay in utilization of the IPO Proceeds which is also covered in the Offer Document. For reasons for delay in utilization of IPO Proceeds refer Note:- 1, 2 & 3 at the end of the report-]			
Whether Shareholder approval is obtained in case of material deviations# from expenditures disclosed in Offer Document?	Yes/ No	NA	NA	NA	NA	NA	NA
				[As the points relating to delay in utilization of IPO Proceeds are covered adequately in the Offer Document, there is no requirement of obtaining Shareholder approval as of now]			
Whether means of finance for disclosed objects of the Issue has changed?	Yes/ No	No	No	No	No	No	No
Any major deviation observed over the earlier monitoring agency reports?	Yes/ No	No	No	Yes	Yes	Yes	Yes
				[For delay in utilization of IPO Proceeds refer Note : 1, 2 & 3 at the end of the report-]			
Whether all Government / Statutory approvals related to the object(s) obtained?	Yes/ No	NA	NA	NA	NA	NA	NA
Whether all arrangements pertaining to technical assistance/collaboration in operation?	Yes/ No	NA	NA	NA	NA	NA	NA
Any favorable events improving object(s) viability	Yes/ No	NA	NA	NA	NA	NA	NA
Any unfavorable events affecting object(s) viability	Yes/ No	NA	NA	NA	NA	NA	NA
Any other relevant information that may materially affect the decision making of the investors	Yes/ No	No	No	No	No	No	No

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 fund 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) -

Rs. In Millions

Sl. No.	Item Head	Original Cost (as per offer document)	Revised Cost	Comments of Monitoring Agency	Comments of Board of directors		Particulars of Firm arrangements made
					Reason of cost deviation	Proposed financing option	
1	Repayment or prepayment in full or in part of certain loans availed by our Company	3000.00	N.A.	NA	NA	NA	NA
2	Purchase of medical equipment for existing, recently set up and upcoming hospitals (1)	635.80	N.A.	NA	NA	NA	NA
3	Purchase of interiors, furniture, and allied infrastructure for upcoming hospitals	111.84	N.A.	NA	NA	NA	NA
4	General corporate purposes(2)	816.64	N.A.	NA	NA	NA	NA

(ii) Progress in the object(s)-

Details of IPO proceeds and object wise utilization

Rs. In Millions

Particulars	Objects of the issue as per prospectus	Utilisation till March 31, 2019	Amount pending Utilisation*
Repayment or prepayment in full or in part of certain loans availed by our Company	3,000.00	3,000.00	-
Purchase of medical equipment for existing, recently set up and upcoming hospitals	635.80	147.22	488.58
Purchase of interiors, furniture, and allied infrastructure for upcoming hospitals	111.84	-	111.84
General corporate purposes	816.64	726.69	89.95
Net Proceeds of the Issue	4,564.28	3,873.91	690.37



Rs. In Millions

Sr. No.	Item Head	proceeds of IPO	Amount utilized			Total unutilized amount	Comments of Monitoring Agency	Comments of Board of Directors	
			At the beginning of the quarter	During the quarter	At the end of the quarter			Reason for Idle funds	Proposed course of Action
1	Repayment or prepayment in full or in part of certain loans availed by our Company	3,000.00	3,000.00	-	3,000.00	-	NA	NA	NA
2	Purchase of medical equipment for existing, recently set up and upcoming hospitals	635.80	147.22	-	147.22	488.58	Refer Note : 1, 2 & 3	Refer Note : 1 & 2	Refer Note 3
3	Purchase of interiors, furniture, and allied infrastructure for upcoming hospitals	111.84	-	-	-	111.84			
4	General corporate purposes	816.64	676.69	50.00	726.69	89.95	NA	NA	NA
	Total:	4,564.28	3,823.91	50.00	3,873.91	690.37			

(iii) Deployment of unutilized IPO proceeds-

Rs. in millions

Sr. No.	Type of instrument where amount invested	Amount invested	Maturity date	Earnings (interest accrued up to 31.03.2019)	Return on Investment (ROI %)	Market Value as at the end of the quarter
1	FD with HDFC Bank	295.00	23.12.2019	0.79	7.50%	295.79
2	FD with HDFC Bank	40.00	30.12.2019	0.05	7.50%	40.05
3	FD with HDFC Bank	150.00	01.02.2020	1.94	7.50%	151.94
4	FD with HDFC Bank	5.37	02.02.2020	0.07	7.30%	5.44
5	FD with IDFC	200.00	09.01.2020	3.59	8.00%	203.59

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

Object(s) Name	Completion Date				Delay (No. of days/ months)	Comments of Board of Directors	
	As per Offer Document		Actual			Reason of delay	Proposed Course of Action
	FY 2017-18	FY 2018-19	FY 2017-18	FY 2018-19			
Repayment or prepayment in full or in part of certain loans availed by our Company	3,000.00	-	3,000.00	-	No Delay	NA	NA
Purchase of medical equipment for existing, recently set up and upcoming hospitals	246.37	200.73	147.22	-	Delay of 12 months as on March 31, 2019 for Rs 99.15 Million	Kindly refer Note- 1 & 2	Kindly refer Note- 3
Purchase of interiors, furniture, and allied infrastructure for upcoming hospitals	-	29.81	-	-	N.A	Kindly refer Note- 2	Kindly refer Note- 3
	3,246.37	230.54	3,147.22	-			



Notes: Clarification provided by the company with reference to delay in utilization of IPO Proceeds

- 1) For Purchase of new medical equipment for our existing hospitals (Krishna Shalby, SG Shalby and Shalby Vapi) company had planned to Invest in high end medical equipment, however due to change in Government policies, NPPA price regime and price control regulations company had to re-look the return on Investment, hence delayed the decision considering diligent business analysis.
- 2) For Purchase of medical equipment and Purchase of interiors, furniture, and allied infrastructure for our hospital being constructed and set up in Nashik and Vadodara :
 - a) Nasik project is an O&M arrangement where the partner is constructing entire infrastructure for the company and once the construction is completed; company is supposed to invest for Purchase of medical equipment, interiors, furniture, and allied infrastructure. On reason of certain medical grounds where the partner was hospitalized for long time, partner is not able to complete the construction work in estimated time resulting in delay of handover to company. Though the project is delayed, but now its work is back in progress and will be handed over to company towards later part of F.Y 2019-20.
 - b) Vadodara project is an O&M arrangement where the partner is constructing entire infrastructure for the company and once the construction is completed; company is supposed to invest for Purchase of medical equipment, interiors, furniture, and allied infrastructure. Due to non-viable commercial terms and partner opting to back out from the project, definitive agreement could not be executed between the parties and hence the project is dropped.
- 3) Management has proposed and will put for approval of Board of Directors in upcoming board meeting for change of object of unutilized IPO proceed and recommended the same to be utilized for Repayment / prepayment of Loan and General Corporate Purpose (GCP). Provided approval from Board of Directors is received, Shareholders approval will also be obtained and the object will be changed as per the permissible SEBI guidelines.

