

November 11, 2019

Shalby/SE/2019-20/59

The Listing Department
National Stock Exchange of India Ltd

Corporate Service Department
BSE Limited

Scrip Code : SHALBY

Scrip Code: 540797

Through : <https://www.connect2nse.com/LISTING/>

Through : <http://listing.bseindia.com>

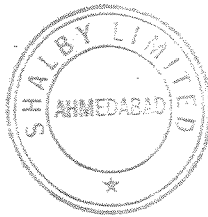
Sub.: Statement of Utilization of issue proceeds of IPO including deviation/variation as on September 30, 2019 - Disclosure under Regulation 32 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("the SEBI LODR")

Dear Sir/Madam,

In terms of Regulation 32 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we are enclosing herewith Statement of Utilization including deviation or variation of net issue proceeds of IPO as on September 30, 2019 as reviewed by Audit Committee at its meeting held on today, i.e. November 11, 2019. We also enclose herewith Monitoring Agency Report for the quarter ended September 30, 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

Shalby Limited

Regd. Off. : Opp. Karnavati Club, S G Road, Ahmedabad - 380015 (India)

Tel. No. : (079) 40203000 | Fax : (079) 40203109 | www.shalby.org | info@shalby.org

Regd. No. : 061000596 | CIN : L85110GJ2004PLC044667.

Vapi - Indore - Jabalpur - Mohali - Naroda (Ahmedabad) Krishna Shalby (Ahmedabad) Surat - Jaipur Upcoming Hospitals : Nashik - Mumbai

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: September 30, 2019

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

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

Particulars	(₹ in million)				
	Amount to be utilized as per Prospectus	Amount to be utilized as per revised objects	Amount utilized during quarter ended Sep. 30, 2019	Amount utilized up to quarter ended Sep. 30, 2019	Unutilized* amount as on Sep. 30, 2019
Repayment or prepayment in full or in part of certain loans availed by our Company	3,000.00	3220.61	5.75	3005.75	214.86
Purchase of medical equipment for existing, recently set up and upcoming hospitals	635.80	147.22	-	147.22	Nil
Purchase of interiors, furniture, and allied infrastructure for upcoming hospitals	111.84	Nil	-	Nil	Nil
General corporate purposes	816.64	1199.64	266.76	993.45	206.19
Total	4,564.28	4,567.47*	272.51	4,146.42	421.05
Issue Expenses	235.72	232.53	-	232.53	-
Gross Proceeds	4800.00	4800.00		4378.95	

* Unutilized IPO expenses of ₹ 3.19 million have been reclassified in repayment or prepayment in full or in part of certain loans availed by our Company.

Unutilized amount of net issue proceeds of ₹ 421.05 million have been invested in FD with Scheduled Bank.

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.

As per Guidance Note on SEBI circular dated May 3, 2018, we confirm that there a deviation or variation in the use of net proceeds received from the Initial Public Offer as stated in the Prospectus dated December 11, 2017 which has been approved by Shareholders by way of Special Resolution passed at the 15th Annual General meeting held on August 26, 2019. The Company has varied the

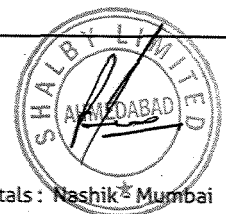
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terms of objects of the initial public offering ("IPO") referred to in the prospectus of the Company dated December 11, 2017 ("Prospectus") in relation to the un-utilized net proceeds of ₹ 603.61 Million and the said amount shall be used for the new objects and in the manner set out below;

(₹ in million)

Sr.	Particulars	Estimated schedule of deployment	
		FY - 2019-20	Total
1	Repayment or prepayment in full or in part of certain loans availed by the Company	220.61	220.61
2	General Corporate purpose	383.00	383.00
	Total	603.61	603.61

In addition to above, the remaining unutilized amount of ₹ 89.95 million in General Corporate purpose shall be utilized for General Corporate purpose as set out in the Prospectus dated December 11, 2017.

For Shalby Limited


Prahlad Rai Inani
Chief Financial officer

Place: Ahmedabad

Date: November 11, 2019

Shalby Limited

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SCHEDULE XI

MONITORING REPORT

NAME OF THE MONITORING AGENCY: HDFC Bank Limited

MONITORING REPORT FOR THE QUARTERLY ENDED: September 30, 2019

(1) Name of the Issuer: Shalby Limited

(a) Deviation from the objects: The Company has utilized some portion of net IPO proceeds different from objects stated in the offer documents, however, such deviation is in line with change of objects as approved by shareholders' resolution passed at the 15th Annual General Meeting held on August 26, 2019. Based on the said special resolution passed by the shareholders, the unutilized amount of net IPO proceeds will be utilized as under:

Sr. No	Particulars	Rs in Million
1	Repayment or prepayment in full or in part of certain loans availed/ to be availed by the Company	220.61
2	General Corporate purpose	383.00

(b) Range of Deviation*: 10 - 25% deviation [13.22%]

Declaration:

We hereby declare that this report is based on the format as prescribed by SEBI (ICDR) Regulations, 2018 as amended. 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:08/11/2019

1. Issuer Details:

Name of the issuer	Shalby Limited
The names of the promoters of the issuer	Dr. Vikram Shah
	Dr. Darshini Shah
	Shanoy Shah
	Zodiac Mediquip Limited
Industry/sector to which it belongs	Shah Family Trust
	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	No	No	No	No
				[The Company has altered the terms of object of initial Public offering to the extent of Rs. 603.61 Mn by passing a special resolution in the 15th Annual General meeting held on August 26, 2019. Refer Note No: 1 & 2 appended at the end of this report]			
Whether Shareholder approval is obtained in case of material deviations# from expenditures disclosed in Offer Document?	Yes/ No	Yes	Yes	Yes	Yes	Yes	Yes
				[Refer Note No: 1 & 2 appended at the end of this report]			
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
				[Refer Note No: 1 & 2 appended at the end of this 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	3220.61	NA	Refer Note No: 1 & 2 appended at the end of this report	Refer Note No: 1 & 2 appended at the end of this report	NA
2	Purchase of medical equipment for existing, recently set up and upcoming hospitals(1)	635.80	147.00	NA			NA
3	Purchase of interiors, furniture, and allied infrastructure for upcoming hospitals	111.84	NIL	NA			NA
4	General corporate purposes (2)	816.64	1199.64	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	Revised objects as per special resolution passed	Utilisation till Sep 30, 2019	Amount pending Utilisation*
Repayment or prepayment in full or in part of certain loans availed by our Company	3,000.00	3,220.61	3,005.75	214.86
Purchase of medical equipment for existing, recently set up and upcoming hospitals	635.80	147.22	147.22	NIL
Purchase of interiors, furniture, and allied infrastructure for upcoming hospitals	111.84	NIL	NA	NA
General corporate purposes	816.64	1,199.64	993.45	206.19
Net Proceeds of the Issue	4,564.28	4,567.47*	4,146.42	421.05

* Unutilized IPO expenses of ₹ 3.19 million have been reclassified in repayment or prepayment in full or in part of certain loans availed by our Company.

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	3,220.61	3,000.00	5.75	3,005.75	214.86	NA	Refer Note: 2 & 3	Refer Note: 2 & 3
2	Purchase of medical equipment for existing, recently set up and upcoming hospitals	147.22	147.22	-	147.22	-	NA	NA	NA
3	Purchase of interiors, furniture, and allied infrastructure for upcoming hospitals	-	-	-	-	-	NA	NA	NA
4	General corporate purposes	1,199.64	726.69	266.76	993.45	206.19	NA	NA	NA
	Total:	4,567.47	3,873.91	272.51	4,146.42	421.05			



(iii) Deployment of unutilized IPO proceeds

Sr. No.	Type of Instrument where amount Invested	Amount Invested	Maturity date	Rs. in millions		
				Earnings (Interest accrued up to 30.06.2019)	Return on Investment (ROI %)	Market Value as at the end of the quarter
1	FD with HDFC Bank	25.68	23.12.2019	0.06	7.50%	25.74
2	FD with HDFC Bank	40.00	30.12.2019	0.04	7.50%	40.04
3	FD with HDFC Bank	150.00	01.02.2020	2.00	7.50%	152.00
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	3.98	8.00%	203.98

(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	-	NA	NA	NA
Purchase of interiors, furniture, and allied infrastructure for upcoming hospitals	-	29.81	-	-	NA	NA	NA
	3,246.37	230.54	3,147.22	-			

Notes: Clarification provided by the company with reference to alteration of objects of IPO as disclosed in the offer documents and utilization of net IPO proceeds

- The Company has been unable to utilise the balance Net Proceeds of Rs. 690.37 million on account of (i) Non execution and cancellation of Vadodara project due to disagreements between parties as to commercial terms (ii) Delay in commencement of Nashik Project due to non-handing over of Hospital facilities by the Samruddhi Hospital P. Ltd, Nashik, and (iii) Non installation of specified Medical Equipment at Krishna Shalby, SG Shalby and Shalby Vapi due to change in government policies, NPPA price regime and price control regulations, as the Company has to re-look the return on investment
- In view of the above, the Board considered and approved change in objects in utilization of unutilized amount of IPO proceeds in its meeting held on May 25, 2019 for maximize the return on investment for members of the Company which has been approved by the shareholders in their 15th Annual General meeting held on August 26, 2019. Based on the special resolution passed by the shareholders of the Company, the unutilized amount of IPO will be utilized as under:

(Rs. In Million)

Sr. No	Particulars	Estimated schedule of deployment of unutilized amount	
		FY 2019-20	Total
1	Repayment or prepayment in full or in part of certain loans availed/ to be availed by the Company	220.61	220.61
2	General Corporate purpose	383.00	383.00
	Total	603.61	603.61



3) The Company has utilized the net IPO proceeds as under and balance un-utilized amount has been invested in fixed deposits with scheduled commercial bank:

Particulars	Objects of the issue as per prospectus	Revised objects after shareholders' approval	Utilisation till Sep 30, 2019	Amount pending Utilisation
Repayment or prepayment in full or in part of certain loans availed by our Company	3,000.00	3220.61	3,005.75	214.86
Purchase of medical equipment for existing, recently set up and upcoming hospitals	635.80	147.22	147.22	NIL
Purchase of interiors, furniture, and allied infrastructure for upcoming hospitals	111.84	NIL	NA	NA
General corporate purposes	816.64	1199.64	993.45	206.19
Net Proceeds of the Issue	4,564.28	4567.47*	4146.42	421.05

* Unutilized IPO expenses of RS 3.19 million have been reclassified in repayment or prepayment in full or in part of certain loans availed by our Company.

