



**SHALIMAR  
PAINTS**

September 01, 2020

The Secretary BSE Limited Corporate Relationship Department Phiroze Jeejeebhoy Towers 25th Floor, Dalal Street Mumbai- 400001	Listing Department National Stock Exchange of India Ltd. Exchange Plaza, 5 <sup>th</sup> Floor, Plot No., C/1, G-Block Bandra Kurla Complex, Bandra Mumbai- 400051
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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 acknowledgement receipt.

This is for your information and records.

Thanking you

For **Shalimar Paints Limited**

Ashish Kumar Bagri  
Chief Financial Officer



**SHALIMAR  
PAINTS**

**Shalimar Paints Ltd.**

Corporate Office: 1<sup>st</sup> Floor, Plot No. 28, Sector 32, Gurugram – 122001, Haryana

Regd. Office: Stainless Centre, 4<sup>th</sup> 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,  
4<sup>th</sup> floor, Plot No -50,  
Sector 32,  
Gurgaon -122 001

SBI/IFB AND/AGM&RM/AMT-IV/2012-21/

Date: 24.07.2020

Dear Sir,

**SHALIMAR PAINTS LIMITED**  
**REPORT OF THE MONITORING AGENCY.**

With reference to above please find enclosed report of the monitoring agency as on 30.06.2020 for the Rights Issue proceeds in the prescribed format.

Yours faithfully,



**AGM & Relationship Manager**

bank.sbi

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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,  
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मुंबई - 400 069.

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

**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: June 30<sup>th</sup> 2020.

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 Banks in India and have extended Credit Facilities to it.*

Signature:

  
सहायक महाप्रबंधक / Asst. Gen. Manager  
आंध्र प्रदेश वित्त शाखा, अहमदाबाद - ६९  
Designation of Authorized person/Signing Authority: **Mr Satyendra kumat**  
AGM & RM  
Ind. Finance Br. Andheri (E), Mumbai - 69.

Seal of the Monitoring Agency:

Date: **[24.07.2020]**



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:

- (a) Deviation in the objects or purposes for which the funds have been raised  
(b) 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:**



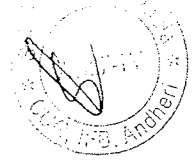
## (i) Cost of object(s)

(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			
	<b>Total</b>	<b>22,866.88</b>	<b>21,186.99</b>				

\* 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 June 30, 2020			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	4,829.38	10.87	4,840.24	235.54	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		
	<b>Total</b>	<b>21,186.99</b>	<b>20,940.59</b>	<b>10.87</b>	<b>20,951.46</b>	<b>235.54</b>			

\* In view of Lower Subscription in the Rights Issue, the amount allocated to the Objects were reduced.



#As on June 30, 2020, Rs. 235.54 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:

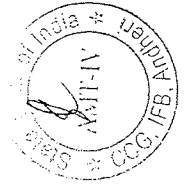
(Rs. In Lacs)						
Sr. No.	Type of instrument and name of the entity invested in	Amount invested	Maturity date	Earning (%)	Return on Investment (%)	Market Value as at the end of quarter*
1	Balance with Bank	235.53	NA	NA	NA	235.53
	<b>Total Available balance</b>	<b>235.53</b>				<b>235.53</b>

\* 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)				Comments of the Board of Directors		
Object(s)	As per the Offer Document	Completion Date		Delay (no. of days/ months)	Reason of delay	Proposed course of action
		Actual*				
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.





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**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

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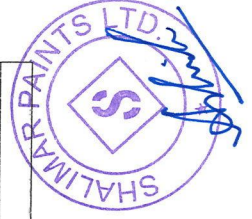
**Details of object(s) to be monitored:**

**(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
	<b>Total</b>	<b>22,866.88</b>	<b>21,186.99</b>				

\* 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 June 30, 2020			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	4,829.38	10.87	4,840.24	235.54	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
	<b>Total</b>	<b>21,186.99</b>	<b>20,940.59</b>	<b>10.87</b>	<b>20,951.46</b>	<b>235.54</b>			



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(iii) Deployment of unutilised IPO proceeds:

(Rs. In Lacs)						
Sl. 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*
I	Balance with Bank	235.53	NA	NA	NA	235.53
<b>Total Available balance</b>		<b>235.53</b>				<b>235.53</b>

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

(Rs. In Lacs)				Comments of the Board of Directors		
Object(s)	As per the Offer Document	Completion Date		Delay (no. of days/ months)	Reason of delay	Proposed course of action
			Actual*			
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.

