



**SHALIMAR
PAINTS**

13 August, 2019

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/ Ma'am,

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.

This is for your information and record.

Thanking you,
For **Shalimar Paints Limited**

Sandeep Gupta
Chief Financial Officer



Encl: a/a



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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 (India)

B: +91 124 461 6600 **F:** +91 124 461 6659

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



भारतीय स्टेट बँक
भारतीय स्टेट बैंक
STATE BANK OF INDIA

Shalimar Paints Limited,
Stainless Steel Centre,
4th floor, Plot No -50,
Sector 32,
Gurgaon -122 001

SBI/IFB AND/AGM&RM/AMT-IV/2019-20/154

Date: 07.08.2019

Dear Sir,

SHALIMAR PAINTS LIMITED
REPORT OF THE MONITORING AGENCY.

With reference to above please find enclosed report of the monitoring agency as on 30.06.2019 for the Rights Issue proceeds in the prescribed format.

Yours faithfully,

AGM & Relationship Manager



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sbi.04732@sbi.co.in

औद्योगिक वित्त शाखा, अंधेरी,
102, नटराज, 194, सर एम.वी. 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: **30th June 2019**

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

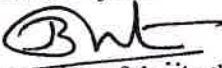
(a) Deviation from the objects: Due to lower Subscription of 92.28% in the Rights Issue, the proceeds from the Rights Issue amounted to Rs. 20,087.24 Lakhs instead of Rs. 21,767.15 Lakhs as per the Letter of Offer. Accordingly, the amount allocated in some of the Objects has been modified. In view of additional working capital requirement, there is increase in the allocation of funds towards Long Term Working Capital Requirement – The major Object of the Issue.

(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 has been modified. Further, in view of additional requirement of Working Capital funds, there is increase of 1.69% in the utilisation of Long Term Working Capital Requirement.

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: Ms Varsha Bhat

Designation of Authorized person/Signing Authority: AGM & Relationship Manager

Seal of the Monitoring Agency:

Date: 07.08.2019



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	NA	
Whether the means of finance for the disclosed objects of the issue has changed?	Yes/ No	No. (Changes are only due to lower subscription)	
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	NA	
Are there any favorable events improving the viability of these object(s)?	Yes/ No	NA	
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%.

*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)

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
Annexure-I							

(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	Amount utilized			Total unutilized amount	Comments of the Monitoring Agency	Comments of the Board of Directors	
			As at beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
Annexure-II									

\$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:

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*
Annexure-III						

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



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

Object(s)	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the Offer Document	Actual		Reason of delay	Reason of delay
Annexure-IV					



Annexure- I

(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	Project of Reinstatement of paint manufacturing plant at Nashik	5,152.13	5,152.13	No Change in Proposed cost			
2	Setting up of Regional Distribution Centre (RDC) at Nashik	340.00	340.00	No Change in Proposed cost			
3	Long Term Working Capital Requirements	13,500.00	12,187.80	In view of Lower Subscription at 92.28% in the Rights Issue, the amount allocated is reduced			
4	General Corporate purposes	3,782.75	3,415.07				
5	Expenses for the issue	92.00	92.00	No Change in Proposed cost			
	Total	22,866.88*	21,186.99*				

*Including Rs. 1099.73 lakhs received as Insurance claim for Nashik Plant



Annexure- II

(Rs. In Lacs)

Sr. No.	Item Head\$	Amount as proposed in the Offer Document (Revised)	Amount utilized till June 30, 2019			Total unutilized amount	Comments of the Monitoring Agency	Comments of the Board of Directors	
			As at beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
1	Project of Reinstatement of paint manufacturing plant at Nashik	5,152.13	2,618.92	1,422.14	4,041.06	1,111.07	Utilisation as disclosed in Letter of Offer		
2	Setting up of Regional Distribution Centre (RDC) at Nashik	340.00	-	-	-	340.00	Utilisation as disclosed in Letter of Offer		
3	Long Term Working Capital Requirements	12,187.80	9,159.45	3,226.82	12,386.27	-198.47	# Modification from Rs. 13,500.00 Lakhs to Rs. 12,187.80 Lakhs*		
4	General Corporate purposes	3,415.07	1,136.57	1,365.91	2,502.49	912.58	Modification from Rs. 3,782.75 Lakhs to Rs. 3,415.07 Lakhs*		
5	Expenses for the issue	92.00	92.00	-	92.00	-	Utilisation as disclosed in Letter of Offer		
	Total	21,186.99	13006.94**	6,014.87	19,021.81	2,165.18			

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

** Total utilization upto 31/03/2019 (at the beginning of the current quarter) was inclusive of utilisation of Insurance Claim already received and has been taken as part of Means of Finance in the Letter of Offer.

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.



Annexure- III

(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	Fixed Deposit	700.00	10th July, 18th July & 24th July, 2019	59.47	4.25%	700.00
2	Balance with Bank	1,465.18	NA	NA	NA	1,465.18
	Total Available balance	2,165.18				2,165.18

Annexure- IV

(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	Partially commissioned. Complete commissioning is expected by 30/09/2019	183		
Setting up of Regional Distribution Centre (RDC) at Nashik	31-03-2019	30-09-2019	183		
Long Term Working Capital Requirements	31-03-2019	30-09-2019	183		
General Corporate purposes	31-03-2019	30-09-2019	183		
Expenses for the issue	31-03-2019	31-03-2019	0		

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





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Comments of Board of Directors on report of Monitoring Agency

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	NA	NA
Whether the means of finance for the disclosed objects of the issue has changed?	Yes/ No	No. (Changes are only due to lower subscription)	No. (Changes are only due to lower subscription)
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	All required approvals related to project site are in place.
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Yes/ No	NA	NA
Are there any favorable events improving the viability of these object(s)?	Yes/ No	NA	NA
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%.

*Where material deviation may be defined to mean:

(a) Deviation in the objects or purposes for which the funds have been raised

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PAINTS**

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
Annexure-I							

(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	Amount utilized			Total unutilized amount	Comments of the Monitoring Agency	Comments of the Board of Directors	
			As at beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
Annexure-II									

\$Provide following details under Item Head:

(a) Name of the object(s):

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

(iii) Deployment of unutilised IPO proceeds:

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





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

Object(s)	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the Offer Document	Actual		Reason of delay	Reason of delay
Annexure-IV					

Javedul Karim



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Shalimar Paints Ltd.

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Annexure- I

(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	Project of Reinstatement of paint manufacturing plant at Nashik	5,152.13	5,152.13	No Change in Proposed cost	NA	NA	NA
2	Setting up of Regional Distribution Centre (RDC) at Nashik	340.00	340.00	No Change in Proposed cost	NA	NA	NA
3	Long Term Working Capital Requirements	13,500.00	12,187.80	In view of Lower Subscription at 92.28% in the Rights Issue, the amount allocated is reduced	In view of Lower Subscription at 92.28% in the Rights Issue, the amount allocated is reduced	NA	NA
4	General Corporate purposes	3,782.75	3,415.07				
5	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. 1099.73 lakhs received as Insurance claim for Nashik Plant



Annexure- II

(Rs. In Lacs)

Sr. No.	Item Head\$	Amount as proposed in the Offer Document (Revised)	Amount utilized till June 30, 2019			Total unutilized amount	Comments of the Monitoring Agency	Comments of the Board of Directors	
			As at beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
1	Project of Reinstatement of paint manufacturing plant at Nashik	5,152.13	2,618.92	1,422.14	4,041.06	1,111.07	Utilisation as disclosed in Letter of Offer	Due to delay in project, mainly due to delay from vendor side in supply.	will be utilised by 30/09/2019
2	Setting up of Regional Distribution Centre (RDC) at Nashik	340.00	-	-	-	340.00	Utilisation as disclosed in Letter of Offer	Job will start after completion of main Plant.	will be utilised by 30/09/2019
3	Long Term Working Capital Requirements	12,187.80	9,159.45	3,226.82	12,386.27	-198.47	# Modification from Rs. 13,500.00 Lakhs to Rs. 12,187.80 Lakhs*	Fund has been utilised as per requirement of Business.	NA
4	General Corporate purposes	3,415.07	1,136.57	1,365.91	2,502.49	912.58	Modification from Rs. 3,782.75 Lakhs to Rs. 3,415.07 Lakhs*	Fund is being utilised as per requirement of Business.	will be utilised by 30/09/2019
5	Expenses for the issue	92.00	92.00	-	92.00	-	Utilisation as disclosed in Letter of Offer	Fully utilised	NA
	Total	21,186.99	13006.94**	6,014.87	19,021.81	2,165.18			

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

** Total utilization up to 31/03/2019 (at the beginning of the current quarter) was inclusive of utilisation of Insurance Claim already received and has been taken as part of Means of Finance in the Letter of Offer.

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.



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(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	Fixed Deposit	700.00	10th July, 18th July & 24th July, 2019	59.47	4.25%	700.00
2	Balance with Bank	1,465.18	NA	NA	NA	1,465.18
	Total Available balance	2,165.18				2,165.18

Annexure- IV

(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	Partially commissioned. Complete commissioning is expected by 30/09/2019	183	As on date major part of project has been completed, remaining activities were dependent on construction of Main plant.	will be completed by 30/09/2019
Setting up of Regional Distribution Centre (RDC) at Nashik	31-03-2019	30-09-2019	183	Job will start after completion of main Plant.	will be utilised by 30/09/2019
Long Term Working Capital Requirements	31-03-2019	30-09-2019	183	Fund has been utilised as per requirement of Business.	NA
General Corporate purposes	31-03-2019	30-09-2019	183	Fund is being utilised as per requirement of Business.	will be utilised by 30/09/2019
Expenses for the issue	31-03-2019	31-03-2019	0	Fully utilised	NA

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

