



January 19, 2022

**SHALIMAR
PAINTS**

BSE Limited
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building, P.J. Towers,
Dalal Street, Fort, Mumbai - 400 001
BSE Scrip Code: 509874

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

Sub: Notice of Extraordinary General Meeting and details of cut-off date for E-voting and E-voting Period

Dear Sir/Madam,

In continuation to our earlier letter dated January 18, 2022 and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), we would like to inform you that an Extraordinary General Meeting ("EGM") of the Company is scheduled to be held on Thursday, February 10, 2022 at 11:30 A.M. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") in terms of the General Circulars issued by the Ministry of Corporate Affairs vide Nos. 14/2020, 17/2020, 22/2020, 33/2020, 39/2020, 10/2021 and 20/2021 dated 08.04.2020, 13.04.2020, 15.06.2020, 28.09.2020, 31.12.2020, 23.06.2021 and 08.12.2021 respectively and Circulars issued by the Securities and Exchange Board of India.

In regard to the above, a copy of the Notice of EGM being sent to the shareholders through email is enclosed herewith for your reference.

Also, pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI LODR Regulations, the Company is pleased to provide remote e-voting facility to its members to cast their votes electronically on the resolutions set forth in enclosed Notice.

Further, relating to the EGM of the Company, you are requested to take note of the following:

1. For the purpose of exercising remote e-voting, the cut-off date shall be Thursday, February 03, 2022.
2. The remote e-voting period shall commence on Monday, February 07, 2022 (from 09:00 a.m. IST) and end on Wednesday, February 09, 2022 (upto 05:00 p.m. IST).
3. Remote e-Voting facility will also be available during the EGM for the members attending the EGM.

This is for your kind information and record please.

Thanking you,

Sincerely yours,

For Shalimar Paints Limited


Shikha Rastogi
Company Secretary



Encl.: As above



SHALIMAR PAINTS LIMITED

CIN: L24222HR1902PLC065611

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

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

Website: www.shalimarpaints.com; E-mail Id: askus@shalimarpaints.com

Phone: 0124-4616600; Fax: 0124-4616659

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE is hereby given that an Extraordinary General Meeting No. 01/2021-22 of the Members of **SHALIMAR PAINTS LIMITED** ("the Company") will be held on Thursday, February 10, 2022 at 11:30 A.M. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), to transact the following businesses:

SPECIAL BUSINESS:

1. ISSUE OF EQUITY SHARES ON A PREFERENTIAL ISSUE / PRIVATE PLACEMENT BASIS

To consider and, if thought fit, to pass the following resolution, as a **Special Resolution**:

RESOLVED THAT pursuant to (i) the provisions of Sections 23(1)(b), 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force) ("the Act"); (ii) the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time ("ICDR Regulations"), including the provisions of Chapter V of the ICDR Regulations, (iii) any other rules / regulations / guidelines, if any, prescribed by the Securities and Exchange Board of India ("SEBI"), Reserve Bank of India ("RBI"), Ministry of Corporate Affairs ("MCA"), stock exchanges where the shares of the Company are listed namely, BSE Limited and National Stock Exchange of India Limited (collectively, "Stock Exchanges"), and/or any other statutory / regulatory authority; (iv) the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") and the listing agreement executed by the Company with the Stock Exchanges; (v) provisions under Foreign Exchange Management Act, 1999, as amended, and the rules and regulations framed thereunder (vi) the Memorandum and Articles of Association of the Company; and (vii) subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of the appropriate authorities (including regulatory or statutory authorities), institutions or bodies as may be required, and subject to such conditions and modifications, as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/or sanction(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) and subject to the completion of the conditions precedent or waiver of the conditions precedents under the share subscription agreement dated 18 January 2022 ("SSA") executed between the Company and Hella Infra Market Private Limited ("Investor"), the consent of the Members of the Company be and is hereby accorded to create, offer, issue and allot on preferential issue and private placement basis 1,79,16,667 (One Crore Seventy Nine Lakh Sixteen Thousand Six Hundred and Sixty Seven) equity shares of the Company of the face value of Rs. 2/- (Rupees Two only) each ("Equity Shares") at a price of Rs. 120/- (Rupees One Hundred and Twenty only), which includes a premium of Rs. 118/- (Rupees One Hundred and Eighteen only) per Equity Share, aggregating to Rs. 215,00,00,040/- (Rupees Two Hundred and Fifteen Crore and Forty only) to the Investor, a private limited company, who does not belong to the promoter and promoter group of the Company, on such other terms and conditions as set out herein and in the SSA and such other terms and conditions, as may be mutually agreed between the Company and the Investor, subject to applicable laws and regulations, including the provisions of Chapter V of the ICDR Regulations and the Act.

RESOLVED FURTHER THAT in terms of the provisions of the ICDR Regulations, the "Relevant Date" for the purpose of determination of minimum price for the issue and allotment of Equity Shares as mentioned above is Tuesday, January 11, 2022, being the date that is 30 (thirty) days prior to the date of the Extraordinary General Meeting i.e. February 10, 2022.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue and allotment of the Equity Shares to the Investor shall be subject to the following terms and conditions apart from others as prescribed under applicable laws:

- (a) The Equity Shares to be created, offered, issued and allotted pursuant to this resolution shall be listed and traded on the Stock Exchanges and shall be subject to the provisions of the Memorandum and Articles of Association of the Company;

- (b) The Equity Shares to be issued and allotted pursuant to this resolution shall rank *pari passu* with the existing Equity Shares of the Company in all respects, including dividend and voting rights;
- (c) The Investor shall be required to bring in the entire consideration for the Equity Shares to be allotted on or before the date of allotment thereof;
- (d) Allotment of the Equity Shares shall only be in dematerialised form;
- (e) The consideration for allotment of Equity Shares shall be paid to the Company from the bank account(s) of the Investor;
- (f) The Equity Shares to be allotted shall be subject to lock-in for such period as specified in the Chapter V of the ICDR Regulations; and
- (g) The Equity Shares shall be allotted within the timeline prescribed under Regulation 170 of the ICDR Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorised to accept any modification(s) or modify the terms of issue of Equity Shares, subject to the provisions of the Act and ICDR Regulations, without being required to seek any further consent or approval of the Members of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of the Act and subject to receipt of such approvals as may be required under applicable law, the consent of the Members of the Company be and is hereby accorded to record the name and address of the Investor and issue a private placement offer cum application letter in the Form PAS-4 to the Investor inviting the Investor to subscribe to the Equity Shares in accordance with the provisions of the Act.

RESOLVED FURTHER THAT for the purposes of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things necessary or incidental that it may, in its absolute discretion, deem necessary or desirable in regard to the offer, issue and allotment of the Equity Shares including but not limited to issue of a private placement letter of offer, allotment of shares, making of application(s) to Stock Exchange(s) for obtaining their approval, making disclosures to the Stock Exchange(s), allotment and listing of the Equity Shares, filing of requisite documents with the registrar of companies, filing of requisite documents with the depositories and engaging/ appointing any agency, consultants, advisors and/ or intermediaries, as may be required, to resolve and settle any questions, difficulties or doubts that may arise in regard to such offer, issue and allotment of Equity Shares, the utilization of the issue proceeds, signing of all documents as may be required and effecting any modifications, changes, variations, alterations, additions and/or deletions to the foregoing conditions as may be required by any regulatory or other authorities or agencies and to do all acts, deeds, matters and things, in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Common Seal of the Company, if required to be affixed in India on any agreement, undertaking, deed or other document, the same be affixed in accordance with the provisions of Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to delegate any or all of the powers conferred upon it by this resolution to any committee of directors of the Company ("**Committee**"), any other director(s) and/ or officer(s) of the Company.

RESOLVED FURTHER THAT all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter referred to above or contemplated in the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

2. ISSUE OF OPTIONALLY CONVERTIBLE DEBENTURES ON PREFERENTIAL ISSUE / PRIVATE PLACEMENT BASIS

To consider and, if thought fit, to pass the following resolution, as a **Special Resolution**:

"RESOLVED THAT pursuant to (i) the provisions of Sections 23(1)(b), 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force) ("**the Act**"); (ii) the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)

Regulations, 2018, as amended from time to time (“**ICDR Regulations**”), including the provisions of Chapter V of the ICDR Regulations; (iii) any other rules / regulations / guidelines, if any, prescribed by the Securities and Exchange Board of India (“**SEBI**”), Reserve Bank of India (“**RBI**”), Ministry of Corporate Affairs (“**MCA**”), stock exchanges where the shares of the Company are listed namely, BSE Limited and National Stock Exchange of India Limited (collectively, “**Stock Exchanges**”), and/ or any other statutory/ regulatory authority; (iv) the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended from time to time (“**Listing Regulations**”) and the listing agreement executed by the Company with the Stock Exchanges; (v) provisions under Foreign Exchange Management Act, 1999, as amended, and the rules and regulations framed thereunder; (vi) the Memorandum and Articles of Association of the Company; and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of the appropriate authorities (including regulatory or statutory authorities), institutions or bodies as may be required, and subject to such conditions and modifications, as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/or sanction(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “**Board**” which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) and subject to the completion of the conditions precedent or waiver of the conditions precedents under the debenture subscription agreement dated 18 January 2022 (“**DSA**”) executed between the Company and Hella Infra Market Private Limited (“**Investor**”), the consent of the Members of the Company be and is hereby accorded to create, offer, issue and allot on preferential issue and private placement basis upto 30,55,556 (Thirty Lakh Fifty Five Thousand Five Hundred and Fifty Six) 9% optionally convertible debentures having face value of Rs. 180/- each (“**Investor OCDs**”), at a price of Rs. 180/- (Rupees One Hundred and Eighty only) per Investor OCD, for an aggregate amount of upto Rs. 55,00,00,080/- (Rupees Fifty Five Crore and Eighty only), and for such Investor OCDs to be convertible into Equity Shares of the Company (“**Conversion Shares**”), at the sole discretion and option of the Investor and subject to and in accordance with the terms of the DSA, at a conversion price of Rs. 180/- (Rupees One Hundred and Eighty only) each, as determined in accordance with the ICDR Regulations, to the Investor, a private limited company, who does not belong to the promoter and promoter group of the Company, on such other terms and conditions as set out herein and in the DSA and such other terms and conditions, as may be mutually agreed between the Company and the Investor, subject to applicable laws and regulations, including the provisions of Chapter V of the ICDR Regulations and the Act.

RESOLVED FURTHER THAT in terms of the provisions of the ICDR Regulations, the “**Relevant Date**” for the purpose of determination of the minimum price at which the Investor OCDs will convert into the Conversion Shares (should the Investor decide to exercise the option to convert) is Tuesday, January 11, 2022, being the date that is 30 (thirty) days prior to the date of the Extraordinary General Meeting i.e. February 10, 2022.

RESOLVED FURTHER THAT the Investor OCDs shall *inter alia* include the following key terms:

- (a) The Investor OCDs shall be unlisted and unsecured;
- (b) The Investor OCDs and the Conversion Shares (if applicable) shall be allotted in dematerialised form;
- (c) The Investor OCDs shall carry a coupon of 9% (nine percent) per annum, which shall be calculated on the basis of 365 / 366 days and the actual number of days lapsed. The coupon shall be calculated from the date of allotment of the Investor OCDs until the date of conversion or redemption, as the case may be. The coupon amount shall be payable in cash each quarter commencing from the date of allotment up to and including the date of redemption or conversion, as the case may be;
- (d) The tenure of Investor OCDs shall not exceed 18 (eighteen) months from the date of allotment;
- (e) The Investor OCDs will not provide any voting rights to the Investor, until they are converted into the Conversion Shares;
- (f) Subject to applicable law, the Investor shall, at its sole discretion, have the right (but not an obligation) to convert the Investor OCDs into Conversion Shares on or any time after the date on which the Closing Price of the Shares breaches the Threshold Price, subject to a maximum period of 18 (eighteen) months from the date of allotment of Investor OCDs to the Investor (“**18 Months Period**”).
 - i. “**Issue Price**” means the price at which the Investor OCDs are being issued to the Investor;
 - ii. “**Closing Price of the Shares**” means the market closing price of the Equity Shares on the Recognized Stock Exchange on any day post the date of allotment of OCDs;
 - iii. “**Recognized Stock Exchange**” means any stock exchange where the Equity Shares are listed and in which the highest trading volume in respect of Equity Shares has been recorded; and
 - iv. “**Threshold Price**” means the Issue Price.

- (g) Subject to the Investor exercising its option to convert as specified above, each Investor OCD shall be convertible into Conversion Shares at a conversion price of Rs. 180/- (Rupees One Hundred and Eighty only) per Equity Share (appropriately adjusted from time to time for corporate actions such as consolidation, sub-division, re-classification, reduction of capital, bonus issue, rights issue, stock split, merger, amalgamation, demerger or any such capital or corporate restructuring). The Conversion Shares, if issued and allotted, shall rank *pari passu* with the then existing Equity Shares, including as to dividend and voting rights;
- (h) 1 (one) Investor OCD shall convert into 1 (one) Equity Share, i.e. the conversion ratio for conversion of the OCDs into the Conversion Shares shall be 1:1;
- (i) The Investor may redeem the Investor OCDs. If, the Investor does not exercise its option to convert the Investor OCDs into Conversion Shares as specified above within the 18 Months Period, the Investor OCDs shall be automatically redeemed by the Company in accordance with applicable law;
- (j) The Conversion Shares (if issued and allotted) shall be listed and traded on the Stock Exchanges and shall be subject to the provisions of the Memorandum and Articles of Association of the Company;
- (k) The Investor OCDs and the Conversion Shares (if issued and allotted) shall be subject to lock-in for such period as specified in the provisions of Chapter V of the ICDR Regulations; and
- (l) The Investor OCDs and the Conversion Shares (if applicable) shall be allotted within the timeline prescribed under applicable law.

RESOLVED FURTHER THAT the Board be and is hereby authorised to accept any modification(s) or modify the terms of issue of Investor OCDs, subject to the provisions of the Act and ICDR Regulations, without being required to seek any further consent or approval of the Members of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of the Act and subject to receipt of such approvals as may be required under applicable law, the consent of the Members of the Company be and is hereby accorded to record the name and address of the Investor and issue a private placement offer cum application letter in the Form PAS-4 to the Investor inviting the Investor to subscribe to the Investor OCDs in accordance with the provisions of the Act.

RESOLVED FURTHER THAT for the purposes of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things necessary or incidental that it may, in its absolute discretion, deem necessary or desirable for such purpose, including but not limited to issue of private placement letter of offer, allotment of Investor OCDs and Conversion Shares (if applicable), making of application(s) to Stock Exchange(s) for obtaining their approval, making disclosures to the Stock Exchanges, allotment and listing of the Conversion Shares (if applicable), filing of requisite documents with the registrar of companies, filing of requisite documents with the depositories and engaging/ appointing any agency, consultants, advisors and/ or intermediaries, as may be required, vary, modify or alter any of the relevant terms and conditions, including size of the preferential issue, finalizing the terms of agreement(s) and other related document(s), if any, signing of all documents as may be required, to resolve and settle any questions, difficulties or doubts that may arise in regard, the utilization of the issue proceeds and to do all acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Common Seal of the Company, if required to be affixed in India on any agreement, undertaking, deed or other document, the same be affixed in accordance with the provisions of Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to delegate any or all of the powers conferred upon it by this resolution to the Committee, any director(s) and / or officer(s) of the Company.

RESOLVED FURTHER THAT all actions taken by the Board or the Committee(s) duly constituted for this purpose in connection with any matter referred to above or contemplated in the foregoing resolutions are hereby approved, ratified and confirmed in all respects.”

**By Order of the Board
For SHALIMAR PAINTS LIMITED**

**Place: Gurugram
Date : January 18, 2022**

**Shikha Rastogi
Company Secretary**

Notes:

1. In view of the continuing Covid-19 pandemic requiring social distancing norm to be followed, and pursuant to General Circulars issued by the Ministry of Corporate Affairs (“MCA”) vide Nos. 14/2020, 17/2020, 22/2020, 33/2020, 39/2020, 10/2021 and 20/2021 dated April 08, 2020, April 13, 2020, June 15, 2020, September 28, 2020, December 31, 2020, June 23, 2021 and December 08, 2021 respectively (collectively referred to as “MCA Circulars”) and circulars issued by the Securities and Exchange Board of India (“SEBI Circulars”) and in compliance with the provisions of the Companies Act, 2013 (“the Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), an Extraordinary General Meeting (“EGM” / “Meeting”) of the Company is being conducted through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the physical presence of the members at a common venue. The detailed procedure for participating in the Meeting through VC/OAVM Facility is mentioned hereunder in this notice. The deemed venue for the EGM shall be the Registered Office of the Company.
2. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this EGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members under Section 105 of the Act will not be available for the EGM. However, in pursuance of Section 112 and 113 of the Act, the Body Corporates are entitled to appoint authorised representatives to attend the EGM through VC / OAVM on their behalf and participate thereat and cast their votes through remote e-voting.
3. Since the EGM will be held through VC / OAVM facility, the Proxy Form, Attendance Slip and Route Map are not annexed hereto.
4. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning Special Businesses (being considered unavoidable by the Board of Directors) to be transacted at the EGM is annexed hereto and forms part of this Notice.
5. **Dispatch of Notice of EGM through Electronic Mode**
 - i) Pursuant to the aforesaid MCA Circulars and SEBI Circulars in view of the prevailing situation, the Notice of EGM, is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Therefore, Members, whose email address is not registered with the Company or with their respective Depository Participant(s), and who wish to receive the soft copy of Notice of the EGM and all other communications sent by the Company, from time to time, can get their email address registered by following the steps as given below:-
 - a) For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to Beetal Financial & Computer Services Private Limited, Company’s RTA at beetal@beetalfinancial.com or at Company’s email address: askus@shalimarpaints.com.
 - b) For the Members holding shares in demat form, please update your email address with your respective Depository Participant(s) (“DPs”).
 - ii) Members may also note that the Notice of EGM will also be available on the Company’s website viz. www.shalimarpaints.com and on the website of the Stock Exchanges where the equity shares of the Company are listed viz National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”) at <https://www.nseindia.com> and <https://www.bseindia.com>, respectively.
 - iii) The Notice of EGM will be sent to those Members / Beneficial Owners electronically, whose name will appear in the Register of Members / List of Beneficiaries received from the depositories as on Friday, January 07, 2022.
 - iv) Any person who has acquired shares and become member of the Company after the dispatch of this Notice and holding shares as on the cut-off date i.e. Thursday, February 03, 2022, may obtain electronic copy of Notice of EGM by sending a request to the Company or Company’s RTA i.e. Beetal Financial & Computer Services Private Limited (“RTA”).
6. Attendance of the Members of the Company, participating in the EGM through VC / OAVM Facility will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (“ICSI”) and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the EGM and facility for those Members participating in the EGM to cast vote through e-Voting system during the EGM. Central Depository Services (India) Limited will be providing facility for voting through remote e-Voting, for participation in the EGM through VC/OAVM Facility and e-Voting during the EGM.
8. The remote e-voting facility will be available during the following period:
 - a. Commencement of remote e-voting: From 09:00 a.m. (IST) on February 07, 2022 and end of remote e-voting: Up to 05:00 p.m. (IST) on February 09, 2022;
 - b. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by RTA upon expiry of aforesaid period.

INSTRUCTIONS FOR E-VOTING:

Pursuant to Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and as amended, the Company is pleased to provide remote e-voting facility to enable the Member to cast their votes electronically on the resolutions mentioned in the Notice of the EGM of the Company to be held on Thursday, February 10, 2022. The Company has appointed Mr. Mohit Maheshwari, Partner (COP No. 19946) or failing him, Mr. Ankush Agarwal, Partner (COP No. 14486) of M/s. MAKS & CO., Practicing Company Secretaries (FRN: P2018UP067700), as the Scrutinizer to scrutinize the remote e-voting and e-voting during the EGM in a fair and transparent manner. The list of shareholders/beneficial owners shall be reckoned on the equity shares as on January 07, 2022. The remote e-voting period will commence on February 07, 2022 at 09:00 a.m. (IST) and will end on February 09, 2022 at 05:00 p.m. (IST). During this period, shareholder of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. February 03, 2022, may cast their vote electronically. The remote e-voting module shall be disabled by Central Depository Services (India) Limited ("CDSL") for voting thereafter. Once the vote on a resolution is cast by a Member, whether partially or otherwise, it shall not be allowed to change subsequently. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as "ABSTAINED". Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The remote e-voting period begins on February 07, 2022 at 09:00 a.m. (IST) and ends on February 09, 2022 at 05:00 p.m. (IST). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. February 03, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020 and under Regulation 44 of the Listing Regulations, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for

	<p>casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/BEETAL Financial & Computer Services Pvt Ltd., so that the user can visit the e-Voting service providers' website directly.</p> <ol style="list-style-type: none"> If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReq.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Votingpage. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for Remote e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4 Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; askus@shalimarpaints.com, if they have voted from individualtab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES:

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending EGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022 - 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, NM Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

9. Equity Shares of the Company are under Compulsory Demat segment. Those members who have not yet got their Equity Shares dematerialised are requested to contact any of the Depository Participants (“DPs”) in their vicinity for getting their shares dematerialised.
10. Further, SEBI has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 01, 2019. Accordingly, the Company / RTA has stopped accepting any fresh lodgement of transfer of shares in physical form. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.
11. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic mode are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical mode can submit a self-attested copy of their PAN Card to the Company / RTA.
12. The voting rights of the members for remote e-voting and e-voting at the EGM shall be in proportion to the paid-up value of their shares in the total paid-up share capital of the Company carrying voting rights, as on the cut-off date, being February 03, 2022. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
13. The Notice of EGM along with the explanatory statement and other related documents are available at the website of the Company. The relevant documents w.r.t. the resolution shall be open and accessible for inspection by shareholder / investor at the corporate office of the Company on any working day except holidays upto the date of the EGM and during the EGM.
14. As per provisions of the Companies Act, 2013 read with relevant rules thereof, facility for making nominations is available to individuals holding shares in the Company. Members holding shares in physical form may obtain Nomination Form No. SH-13 from the Company’s RTA. Members holding shares in electronic form are required to approach their DPs for the nomination.
15. In case of joint holders attending the Meeting, only the Member whose name appears first will be entitled to vote.
16. The Board of Directors has appointed Mr. Mohit Maheshwari, Partner (COP No. 19946) or failing him Mr. Ankush Agarwal, Partner (COP No. 14486) of M/s. MAKS & CO., Practicing Company Secretaries (FRN : P2018UP067700), as the Scrutinizer to scrutinize the remote e-voting and e-voting during the EGM in a fair and transparent manner.
17. The Scrutinizer shall after the conclusion of voting at the general meeting, count the votes cast at the meeting through e-

voting and votes cast through remote e-voting and shall make, not later than 48 hours of the conclusion of the EGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall counter sign the same and declare the result of the voting forthwith.

18. The results declared along with the report of the scrutinizer shall be placed on the Company's website at www.shalimarpaints.com and on the website of RTA immediately after the declaration of the results and simultaneously communicated to the Stock Exchanges. Further, the results of the voting shall also be displayed on the notice board of the Company at its Registered Office.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013 and Secretarial Standard -2 issued by The Institute of Company Secretaries of India)

The following statement sets out all material facts relating to the Special Businesses mentioned in the Notice and shall be taken as forming part of the Notice.

ITEM NO. 1

The Board of Directors of the Company in its meeting held on January 18, 2022 considered a capital raising proposal for the Company on preferential issue and private placement basis *inter alia* to raise funds to strengthen its balance sheet and have access to long term resources to meet its growth requirements.

Accordingly, with the aforesaid objective in view, the Board had, subject to the approval of the members of the Company and such other approvals as may be required, approved to offer, issue and allot 1,79,16,667 (One Crore Seventy Nine Lakh Sixteen Thousand Six Hundred and Sixty Seven) equity shares of the Company, having a face value of Rs. 2/- (Rupees Two only) each ("Equity Shares"), at a price of Rs. 120/- (Rupees One Hundred and Twenty only) per Equity Share, which includes premium of Rs. 118/- (Rupees One Hundred and Eighteen only) per Equity Share, ("Investor Shares") aggregating to Rs. 215,00,00,040/- (Rupees Two Hundred and Fifteen Crore and Forty only), on a preferential issue and private placement basis, to Hella Infra Market Private Limited ("Investor"). Pursuant to this, the Company and the Investor entered into a share subscription agreement dated January 18, 2022 ("SSA").

The Investor Shares to be issued and allotted on preferential issue and private placement basis to the Investor, who does not belong to the promoter/ promoter group of the Company, will be listed on the BSE Limited and the National Stock Exchange of India Limited (collectively, "Stock Exchanges") and shall rank *pari passu* with the existing Equity Shares including with regard to dividend and voting rights.

Approval of the Members by way of special resolution is being sought *inter alia* in terms of Sections 23(1)(b), 42 and 62(1)(c) the Companies Act, 2013 ("Act") as well as Regulation 160 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time ("ICDR Regulations") for offer, issue and allotment of 1,79,16,667 (One Crore Seventy Nine Lakh Sixteen Thousand Six Hundred and Sixty Seven) Investor Shares as per details mentioned in the resolution at Item no.1 of this Notice.

In terms of the provisions of the Act and ICDR Regulations, other relevant disclosures/ details are given below:

a. Objects of the preferential issue:

The Company needs to raise additional funds to strengthen its balance sheet and have access to long term resources to meet its growth requirements.

b. Type of security offered and the number of security offered:

1,79,16,667 (One Crore Seventy Nine Lakh Sixteen Thousand Six Hundred and Sixty Seven) fully paid up equity shares of the Company of face value Rs. 2/- (Rupees Two only) each ranking *pari passu* in all respects with the existing Equity Shares.

c. The intention of the promoters / directors / key management personnel of the Company to subscribe to the offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of the objects:

None of the existing promoters, directors or key managerial personnel of the Company will subscribe to the proposed issue and they will not be making any contribution either as part of the offer or separately in furtherance of the objects.

d. Class or classes of persons to whom the allotment is proposed to be made:

Body Corporate - Private Limited Company

e. Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and / or who ultimately control the proposed allottees:

The Investor Shares are proposed to be allotted to the Investor. The natural persons, who are ultimate beneficial owners of the Investor, are Mr. Aditya Gajendra Sharda and Mr. Souvik Pulakesh Sengupta.

f. The percentage of post preferential issue capital that may be held by the allottee(s) and change in control, if any, in the issuer consequent to the preferential issue:

Name of the Allottee	Category of the Allottee	Pre issue shareholding of the proposed allottee		No. of shares proposed to be allotted	Post issue shareholding of the proposed allottee ⁽¹⁾	
		No. of shares	%age	No. of shares	No. of shares	%age
Hella Infra Market Private Limited	Body Corporate - Private Limited Company	Nil	Nil	1,79,16,667	1,79,16,667	24.80951

Note:

1. Calculated on the basis of the current paid-up capital of the Company and the proposed allotment of Investor Shares on preferential issue and private placement basis.

Upon the issuance and allotment of the Investor Shares and the Investor OCDs (as defined below) to the Investor, there is no likely change of control of the Company and the Investor will be categorized as a public shareholder of the Company.

g. Current and proposed status of the allottee(s) post the preferential issues namely, promoter or non-promoter

The Investor does not belong to the promoter and promoter group of the Company as on date of this Notice. Further, upon the issuance and allotment of the Investor Shares and Investor OCDs, the Investor will be categorized as a public shareholder of the Company.

h. The pre and post issue shareholding pattern of the Company:

Sr. No.	Category of Shareholder	Pre-issue shareholding (as on 07.01.2022)		Post-issue shareholding ⁽¹⁾	
		No. of shares held	% of share holding	No. of shares held	% of share holding
A	Promoters' shareholding				
1	Indian:				
	Individual	2,89,045	0.5323	2,89,045	0.4002
	Bodies corporate	2,04,20,839	37.6073	2,04,20,839	28.2771
	Others (HUF)	94,171	0.1734	94,171	0.1304
	Sub-total	2,08,04,055	38.3130	2,08,04,055	28.8077
2	Foreign promoters	80,26,773	14.7822	80,26,773	11.1148
	Sub-total (A)	2,88,30,828	53.0952	2,88,30,828	39.9225
B	Non-Promoters' holding				
1	Institutional Investors	20,33,730	3.7453	20,33,730	2.8161
2	Non-Institution:				
	Bodies Corporate	17,83,776	3.2850	1,97,00,443	27.2795
	Directors and relatives	65,09,952	11.9888	65,09,952	9.0144
	Indian Public	1,29,14,959	23.7844	1,29,14,959	17.8836
	Others (including NRIs)	22,27,014	4.1013	22,27,014	3.0838
	Sub-total (B)	2,54,69,431	46.9048	4,33,86,098	60.0775
	Grand Total (A)+(B)	5,43,00,259	100.0000	7,22,16,926	100.0000

Note:

1. Calculated on the basis of the current paid-up capital of the Company and the proposed allotment of Investor Shares on preferential issue and private placement basis.

i. The change in control, if any, in the company that would occur consequent to the preferential offer:

Upon the issuance and allotment of the Investor Shares and the Investor OCDs to the Investor, there is no change of control of the Company and the Investor will be categorized as a public shareholder of the Company.

j. Proposed time within which the allotment shall be completed:

The Investor Shares shall be allotted within the timeline prescribed under Regulation 170 of SEBI ICDR Regulations.

k. Names of the proposed allottees and the percentage of post preferential issue capital that may be held by the allottee(s):

Please refer to point (f) above.

l. Lock-in:

The Investor Shares to be allotted to the Investor shall be locked-in for such period as specified under Chapter V of the ICDR Regulations.

m. Relevant date:

The relevant date for the preferential issue, as per the ICDR Regulations, for the determination of minimum price for the issue and allotment of Investor Shares on preferential issue and private placement basis is Tuesday, January 11, 2022, being the date that is 30 (thirty) days prior to the date of the Extraordinary General Meeting (i.e., February 10, 2022).

n. Pricing of preferential issue:

The price of the Investor Shares to be issued and allotted to the Investor is fixed at Rs. 120/- (Rupees One Hundred and Twenty only) per Investor Share, which consists of Rs. 2/- (Rupees Two only) par value and Rs. 118/- (Rupees One Hundred and Eighteen only) as premium per Investor Share, in accordance with the price determined in terms of Regulation 164 read with Regulation 166A of the ICDR Regulations and taking into account the Valuation Report.

o. Basis on which the price has been arrived at:

The Equity Shares are listed on BSE Limited and the National Stock Exchange of India Limited and the Equity Shares are frequently traded in accordance with Regulation 164 of the ICDR Regulations. The Investor Shares proposed to be issued will be issued and allotted at a price not less than the higher of the following in terms of Regulation 164(1) of the ICDR Regulations:

- i. The 90 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the Relevant Date i.e., Rs. 104.60 (Rupees One Hundred and Four and Sixty Paise only) per Equity Share; or
- ii. The 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the Relevant Date i.e., Rs. 114.43 (Rupees One Hundred and Fourteen and Forty Three Paise only) per Equity Share.

For the purpose of computation of the price per Investor Share, the share prices on the National Stock Exchange of India Limited being the stock exchange with higher trading volumes for the said period, have been considered for arriving at floor price of the Investor Shares to be allotted under this preferential issue in accordance with the ICDR Regulations.

The value of Equity Shares as on January 11, 2022, determined per the Valuation Report is Rs. 114.43 (Rupees One Hundred and Fourteen and Forty Three Paise only) per Equity Share. Accordingly, price per Investor Share of Rs. 120/- (Rupees One Hundred and Twenty only) has been calculated and determined basis the above. It is clarified that the Articles of Association of the Company do not prescribe any method of determination of floor price. The price per Investor Share is not lower than the floor price determined in accordance with the ICDR Regulations.

Since the Equity Shares have been listed on the recognized stock exchanges for a period of more than 90 trading days prior to the Relevant Date, the Company is not required to re-compute the price per Equity Share.

p. The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:

During the year, no preferential allotment has been made by the Company.

q. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

Not applicable.

r. Principal terms of assets charged as securities:

Not applicable.

s. Material term of raising equity shares:

No material terms other than stated above.

t. Practicing Company Secretary's Certificate:

A certificate from M/s. MAKS & Co. (Firm Regn. No. P2018UP067700), Practicing Company Secretaries, certifying that the preferential issue of Investor Shares is being made in accordance with requirements of ICDR Regulations, shall be available for inspection by the members and the same may be accessed on the Company's website at the link: <https://www.shalimarpaints.com/investors-relations>.

u. Report of independent registered valuer:

The price of the Investor Shares to be issued and allotted to the Investor has been determined taking into account the valuation report dated January 18, 2022, issued by BDO Valuation Advisory LLP, independent registered valuer (registration no. IBBI/RV-E/02/2019/103, having office at The Ruby, Level 9, North West Wing, Senapati Bapat Marg, Dadar (W), Mumbai - 400028), in accordance with Regulation 166A of the ICDR Regulations ("**Valuation Report**"). The Valuation Report shall be available for inspection by the members and the same may be accessed on the Company's website at the link: <https://www.shalimarpaints.com/investors-relations>.

v. Undertakings:

- i. The Company, its promoters and its directors are not categorized as wilful defaulter(s) by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by Reserve Bank of India and have not been categorized as a fraudulent borrower. Consequently, the disclosures required under Regulation 163(1)(i) of the ICDR Regulations is not applicable.
- ii. None of its directors or promoters are fugitive economic offenders as defined under the ICDR Regulations;
- iii. The Company does not have any outstanding dues to SEBI, Stock Exchanges or the depositories;
- iv. The Company is in compliance with the conditions for continuous listing; and
- v. Since the Equity Shares have been listed on the recognized stock exchanges for a period of more than 90 trading days prior to the Relevant Date, the Company is not required to re-compute the price per Equity Share

In terms of Sections 23(1)(b), 42 and 62(1)(c) the Act and Regulation 160 of the ICDR Regulations, approval of the shareholders by way of a special resolution is required to issue and allot the Investor Shares on preferential issue and private placement basis.

The Board of Directors of the Company believes that the proposed issue is in the interest of the Company and hence, recommends the resolution set out at Item no. 1 of this Notice for the approval of the shareholders by way of special resolution.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives is/ are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 1 of this Notice except to the extent of their respective shareholding entitlements in the Company, if any.

ITEM NO. 2

The Board of Directors of the Company in its meeting held on January 18, 2022 considered a capital raising proposal for the Company on preferential issue and private placement basis *inter alia* to raise funds to strengthen its balance sheet and have access to long term resources to meet its growth requirements.

Accordingly, with the aforesaid objective in view, the Board had, subject to the approval of the members of the Company and such other approvals as may be required, approved to offer, issue and allot upto 30,55,556 (Thirty Lakh Fifty Five Thousand Five Hundred and Fifty Six) 9% Optionally Convertible Debentures having face value of Rs. 180/- each ("**Investor OCDs**"), at a price of Rs. 180/- (Rupees One Hundred and Eighty only) per Investor OCD, for an aggregate amount of upto Rs. 55,00,00,080/- (Rupees Fifty Five Crore and Eighty only), with such Investor OCDs being convertible into Equity Shares of the Company

("Conversion Shares"), at the sole discretion and option of the Investor and in accordance with the terms and conditions set out herein and in the DSA (defined hereinafter), at a conversion price of Rs. 180/- (Rupees One Hundred and Eighty only) each, as determined in accordance with ICDR Regulations, to the Investor. Pursuant to this, the Company and the Investor entered into a debenture subscription agreement dated January 18, 2022 ("DSA").

The Investor OCDs are being issued and allotted on preferential issue and private placement basis to the Investor, who does not belong to the promoter/ promoter group of the Company.

Approval of the Members by way of special resolution is being sought *inter alia* in terms of 23(1)(b), 42, 62 and 71 of the Act as well as Regulation 160 of the ICDR Regulations for offer, issue and allotment of 30,55,556 (Thirty Lakh Fifty Five Thousand Five Hundred and Fifty Six) Investor OCDs as per details mentioned herein and in the resolution at item no.2 of this Notice.

In terms of the provisions of the Act and ICDR Regulations, other relevant disclosures/ details are given below:

a. Objects of the preferential issue:

The Company needs to raise additional funds to strengthen its balance sheet and have access to long term resources to meet its growth requirements.

b. Type of security offered and the number of security offered:

Upto 30,55,556 (Thirty Lakh Fifty Five Thousand Five Hundred and Fifty Six only) Investor OCDs having face value of Rs. 180/- (Rupees One Hundred and Eighty only) each at a price of Rs. 180/- (Rupees One Hundred and Eighty only) per Investor OCD, for an aggregate amount of upto Rs. 55,00,00,080/- (Rupees Fifty Five Crore and Eighty only), with such Investor OCDs being convertible into the Conversion Shares aggregating to 30,55,556 (Thirty Lakh Fifty Five Thousand Five Hundred and Fifty Six only) Equity Shares of the face value of Rs. 2/- (Rupees Two only) each, at the sole discretion and option of the Investor and in accordance with the terms and conditions set out in the DSA, at a conversion price of Rs. 180/- (Rupees One Hundred and Eighty only) each, as determined in accordance with the ICDR Regulations. If issued, the Conversion Shares shall rank pari passu with the then existing Equity Shares of the Company.

c. The intention of the promoters / directors / key management personnel of the Company to subscribe to the offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of the objects:

None of the existing promoters, directors or key managerial personnel of the Company will subscribe to the proposed issue and they will not be making any contribution either as part of the offer or separately in furtherance of the objects.

d. Class or classes of persons to whom the allotment is proposed to be made:

Body Corporate - Private Limited Company

e. Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and / or who ultimately control the proposed allottees:

The Investor OCDs are proposed to be allotted to the Investor. The natural persons, who are ultimate beneficial owners of the Investor, are Mr. Aditya Gajendra Sharda and Mr. Souvik Pulakesh Sengupta.

f. The percentage of post preferential issue capital that may be held by the allottee(s) and change in control, if any, in the issuer consequent to the preferential issue:

Name of the Allottee	Category of the Allottee	Pre issue shareholding of the proposed allottee		No. of shares proposed to be allotted	Post issue shareholding of the proposed allottee	
		No. of shares	%age	No. of shares	No. of shares	%age
Hella Infra Market Private Limited	Body Corporate - Private Limited Company	Nil	Nil	Nil	1,79,16,667	24.80951

Note: Investor OCDs are being issued and allotted to the Investor on a private placement and preferential allotment basis. Upon such allotment, there will be no change in the shareholding of the Investor, save for the allotment of Investor Shares, as set out in Item No. 1 above, since the Investor OCDs may only be converted at a later date at the sole discretion and option of the Investor and in accordance with the terms and conditions set out in the DSA.

Upon the issuance and allotment of the Investor Shares and the Investor OCDs to the Investor, there is no likely change of control of the Company and the Investor will be categorized as a public shareholder of the Company.

g. Current and proposed status of the allottee(s) post the preferential issues namely, promoter or non-promoter:

The Investor does not belong to the promoter and promoter group of the Company as on date of this Notice. Further, upon the issuance and allotment of the Investor Shares and Investor OCDs, the Investor will be categorized as a public shareholder.

h. The pre and post issue shareholding pattern of the Company:

Sr. No.	Category of Shareholder	Pre-issue shareholding (as on 07.01.2022)		Post-issue shareholding	
		No. of shares held	% of share holding	No. of shares held	% of share holding
A	Promoters' shareholding				
1	Indian:				
	Individual	2,89,045	0.5323	2,89,045	0.4002
	Bodies corporate	2,04,20,839	37.6073	2,04,20,839	28.2771
	Others (HUF)	94,171	0.1734	94,171	0.1304
	Sub-total	2,08,04,055	38.3130	2,08,04,055	28.8077
2	Foreign promoters	80,26,773	14.7822	80,26,773	11.1148
	Sub-total (A)	2,88,30,828	53.0952	2,88,30,828	39.9225
B	Non-Promoters' holding				
1	Institutional Investors	20,33,730	3.7453	20,33,730	2.8161
2	Non-Institution:				
	Bodies Corporate	17,83,776	3.2850	1,97,00,443	27.2795
	Directors and relatives	65,09,952	11.9888	65,09,952	9.0144
	Indian Public	1,29,14,959	23.7844	1,29,14,959	17.8836
	Others (including NRIs)	22,27,014	4.1013	22,27,014	3.0838
	Sub-total (B)	2,54,69,431	46.9048	4,33,86,098	60.0775
	Grand Total (A)+(B)	5,43,00,259	100.0000	7,22,16,926	100.0000

Note: Investor OCDs are being issued and allotted to the Investor on a private placement and preferential allotment basis. Upon such allotment, there will be no change in the shareholding pattern, save for the allotment of Investor Shares, as set out in Item No. 1 above, since the Investor OCDs may only be converted at a later date at the sole discretion and option of the Investor and in accordance with the terms and conditions set out in the DSA.

i. The change in control, if any, in the company that would occur consequent to the preferential offer:

Upon the issuance and allotment of the Investor Shares and the Investor OCDs to the Investor, there is no change of control of the Company and the Investor will be categorized as a public shareholder of the Company.

j. Proposed time within which the allotment shall be completed:

The Investor OCDs shall be allotted within the timeline prescribed under Regulation 170 of SEBI ICDR Regulations. The Conversion Shares (if applicable) shall be issued in accordance with the timelines specified in applicable law.

k. Names of the proposed allottees and the percentage of post preferential issue capital that may be held by the allottee(s):

Please refer to point (f) above.

l. Lock-in:

The Investor OCDs and the Conversion Shares (if applicable) to be allotted to the Investor shall be locked-in for such period as specified under Chapter V of the ICDR Regulations.

m. Relevant date:

The "Relevant Date" for the purpose of determination of the minimum price at which the Investor OCDs convert into

Conversion Shares (should the Investor decide to exercise its option to convert), is Tuesday, January 11, 2022, being the date that is 30 (thirty) days prior to the date of the Extraordinary General Meeting (i.e., February 10, 2022).

n. Pricing of preferential issue:

The price of the Investor OCDs to be issued and allotted is Rs. 180/- (Rupees One Hundred and Eighty only) per Investor OCD. This price has been determined basis the valuation report dated January 18, 2022, issued by BDO Valuation Advisory LLP, independent registered valuer (registration no. IBBI/RV-E/02/2019/103, having office at The Ruby, Level 9, North West Wing, Senapati Bapat Marg, Dadar (W), Mumbai - 400028) in accordance with the provisions under the Act and rules made thereunder. Should the Investor decide to convert the Investor OCDs, the Company shall allot upto 30,55,556 (Thirty Lakh Fifty Five Thousand Five Hundred and Fifty Six) Equity Shares at a conversion price of Rs. 180/- (Rupees One Hundred and Eighty only) each. The price for conversion of OCDs into Equity Shares has been determined in terms of Regulation 164 read with Regulation 166A of the ICDR Regulations and taking into account the Valuation Report. The price of the Conversion Shares i.e., Rs. 180/- (Rupees One Hundred and Eighty only) per Conversion Share consists of Rs 2/- (Rupees Two only) par value and Rs. 178/- (Rupees One Hundred and Seventy Eight only) as premium per Equity Share.

o. Basis on which the price has been arrived at:

The price of the Investor OCDs has been determined basis the valuation report dated January 18, 2022, issued by BDO Valuation Advisory LLP, independent registered valuer (registration no. IBBI/RV-E/02/2019/103, having office at The Ruby, Level 9, North West Wing, Senapati Bapat Marg, Dadar (W), Mumbai - 400028) in accordance with the provisions under the Act and the rules made thereunder. The provisions in Chapter V of the ICDR Regulations prescribe the minimum price at which equity shares may be issued.

The Equity Shares are listed on BSE Limited and the National Stock Exchange of India Limited and the Equity Shares are frequently traded in accordance with Regulation 164 of the ICDR Regulations. The Conversion Shares if issued will be issued and allotted at a price not less than the higher of the following in terms of Regulation 164(1) of the ICDR Regulations:

- i. The 90 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the Relevant Date i.e., Rs. 104.60 (Rupees One Hundred and Four and Sixty Paise only) per Equity Share; or
- ii. The 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the Relevant Date i.e., Rs. 114.43 (Rupees One Hundred and Fourteen and Forty Three Paise only) per Equity Share.

For the purpose of computation of the price per Conversion Share, the share prices on the National Stock Exchange of India Limited being the stock exchange with higher trading volumes for the said period, have been considered for arriving at floor price of the Conversion Shares (if applicable) to be allotted in accordance with the ICDR Regulations.

The value of Conversion Shares as on January 11, 2022, determined in accordance with the Valuation Report is 114.43 (Rupees One Hundred and Fourteen and Forty Three Paise only) per Conversion Share. Accordingly, price per Conversion Share of Rs. 180/- (Rupees One Hundred and Eighty only) has been calculated and determined basis the above. It is clarified that the Articles of Association of the Company do not prescribe any method of determination of floor price. The price per Conversion Shares (if issued) is not lower than the floor price determined in accordance with the ICDR Regulations.

p. The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:

During the year, no preferential allotment has been made by the Company.

q. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

Not Applicable.

r. Principal terms of assets charged as securities:

Not applicable.

s. Material term of raising equity shares:

No material terms other than stated above and in the resolutions mentioned in Item No. 2.

t. Practicing Company Secretary's Certificate:

A certificate from M/s. MAKS & Co. (Firm Regn. No. P2018UP067700), Practicing Company Secretaries, certifying that the preferential issue of Investor OCDs (and resultant Conversion Shares, if applicable) is being made in accordance with requirements of ICDR Regulations, shall be available for inspection by the members and the same may be accessed on the Company's website at the link: <https://www.shalimarpaints.com/investors-relations>.

u. Report of independent registered valuer:

- i. The price of the Investor OCDs has been determined basis the valuation report dated January 18, 2022, issued by BDO Valuation Advisory LLP, independent registered valuer (registration no. IBBI/RV-E/02/2019/103, having office at The Ruby, Level 9, North West Wing, Senapati Bapat Marg, Dadar (W), Mumbai - 400028) in accordance with the provisions under the Act and the rules made thereunder. As per the valuation report, the value at which the Investor OCDs are to be issued is Rs. 180/- (Rupees One Hundred and Eighty only). The said report shall be available for inspection by the members and the same may be accessed on the Company's website at the link: <https://www.shalimarpaints.com/investors-relations>.
- ii. If the Investor decides to convert the Investor OCDs, the price of the Conversion Shares have been determined taking into account the valuation report dated January 18, 2022, issued by BDO Valuation Advisory LLP, independent registered valuer (registration no. IBBI/RV-E/02/2019/103, having office at The Ruby, Level 9, North West Wing, Senapati Bapat Marg, Dadar (W), Mumbai - 400028), in accordance with Regulation 166A of the ICDR Regulations ("**Valuation Report**"). The Valuation Report shall be available for inspection by the members and the same may be accessed on the Company's website at the link: <https://www.shalimarpaints.com/investors-relations>.

v. Undertaking by the Company

- i. The Company, its promoters and its directors are not categorized as willful defaulter(s) by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by Reserve Bank of India and have not been categorized as a fraudulent borrower. Consequently, the disclosures required under Regulation 163(1)(i) of the ICDR Regulations is not applicable.
- ii. None of its directors or promoters are fugitive economic offenders as defined under the ICDR Regulations;
- iii. The Company does not have any outstanding dues to SEBI, Stock Exchanges or the depositories;
- iv. The Company is in compliance with the conditions for continuous listing; and
- v. Since the Equity Shares have been listed on the recognized stock exchanges for a period of more than 90 trading days prior to the Relevant Date, the Company is not required to re-compute the price per Equity Share.

In terms of Sections 23(1)(b), 42, 62 and 71 of the Act and Regulation 160 of the ICDR Regulations, approval of the members by way of a special resolution is required to issue and allot OCDs on preferential issue/ private placement basis.

The Board of Directors of the Company believes that the proposed issue is in the interest of the Company and hence, recommends the resolution set out at Item no. 2 of this Notice for the approval of the shareholders by way of special resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives is / are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 2 of this Notice except to the extent of their respective shareholding entitlements in the Company, if any.

**By Order of the Board
For SHALIMAR PAINTS LIMITED**

**Place: Gurugram
Date : January 18, 2022**

**Shikha Rastogi
Company Secretary**