



A K DUBEY & CO
Chartered Accountants

To
The Board of Directors
SHALIMAR PAINTS LIMITED
1st Floor, Plot No. 28, Sector 32,
Gurugram - 122001

Dear Sir,

Independent Auditor's Certificate on the compliance with the conditions of proposed preferential allotment by Shalimar Paints Limited in terms of Chapter V of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018

- (1) This certificate is issued in accordance with the terms of our engagement letter dated 28-January-2022 with Shalimar Paints Limited (hereinafter 'the Company').
- (2) In connection with the proposed issuance of equity shares and optionally convertible debentures (OCDs) by way of preferential issue on a private placement basis (hereinafter 'proposed preferential issue') of the Company, it is required to obtain a certificate from Statutory Auditors, with regard to compliance with the conditions of the proposed preferential issue, as required f para 163(2) of the Security and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the "ICDR Regulations").
- (3) The accompanying statement containing details of proposed preferential issue being made (the "Statement"), as required by ICDR Regulations, is prepared by the Management of the Company, which we have initialed for identification purpose only.

Management's Responsibility for the Statement

- (4) The preparation of the accompanying Statement, including the preparation and maintenance of all accounting and other relevant supporting records and documents, is solely the responsibility of the Management of the Company. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
- (5) The Management is also responsible for ensuring that the Company complies with the below requirements of the ICDR Regulations:
 - (a) Determine the relevant date, being the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue;
 - (b) Determination of the minimum price of equity shares being higher of:
 - (i) the average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognized stock exchange during the twenty-six weeks preceding the relevant date; or



- (ii) the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognized stock exchange during the two weeks preceding the relevant date;
- (c) compliance with the requirements of the ICDR Regulations.

Auditor's Responsibility

- (6) Pursuant to the requirements of 163(2) of the ICDR Regulations, it is our responsibility to obtain limited assurance and conclude as to whether the details of the proposed preferential issue provided in the Statement, is in accordance with the requirements of the ICDR Regulations as applicable to the preferential issue.
- (7) We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('Guidance Note'), issued by the Institute of Chartered Accountants of India (the "ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
- (8) We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.
- (9) A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence that vary in nature, timing and extent than a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we have performed the following procedures in relation to the Statement:
 - (a) Noted the relevant date, being the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue;
 - (b) Verified the calculation of the minimum price of the equity shares to be allotted in preferential issue in accordance with pricing formula given in 5(b) above;
 - (c) Obtained and read the statutory registers of the Company to note equity shares are fully paid up;
 - (d) Read the certified copy of the board resolution passed at the Board Meeting produced before us by the management containing the list of the Proposed Allottees.
 - (e) Read the certified copy of the notice of Extra Ordinary General Meeting dated 19th January 2022 and Corrigendum to the said notice dated 2nd February 2022 produced before us by the management.
 - (f) Recomputed the arithmetical accuracy of the Statement; and
 - (g) Conducted relevant management inquiries and obtained necessary representations.

Conclusion

- (10) Based on our examination as above, and the information and explanations given to us, nothing has come to our attention that causes us to believe that the details of the proposed preferential issue provided in the Statement are not in accordance with the requirements of the ICDR Regulations as



applicable to the preferential issue, except that the special resolution required for approval of shareholders for proposed preferential issue is yet to be passed as required by the ICDR Regulations.

Restriction on distribution or use

- (11) Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the ICDR Regulations. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability are in no way changed by, any other role we may have as statutory auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.
- (12) This certificate is addressed to and provided to the Board of Directors of the Company solely with the purpose of placing before shareholders of the Company (or on the website of the Company) so as to provide them requisite information for approving the proposed preferential issue of equity shares and optionally convertible debentures, and for the purpose of further submission to the stock exchanges and the proposed allottee. Apart from various regulatory authorities, the proposed allottee is also required to verify the authenticity of allotments made & the compliance of relevant agreement(s), if any, entered by said allottee with the Company.
- (13) This certificate should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **A. K. DUBEY & CO.**
Chartered Accountants
Firm Registration No. 329518E




ARUN KUMAR DUBEY
Partner
Membership No. 057141.
UDIN: 22057141AAEQEO4304

Place : Kolkata

Date : 02-February-2022



**SHALIMAR
PAINTS**

Annexure containing details of minimum price of the equity shares and the minimum price of the equity shares arising out of conversion of the OCDs (if the proposed allottee, at its sole discretion, decide to convert the OCDs into equity in accordance with the terms of issue thereof).

Relevant Date

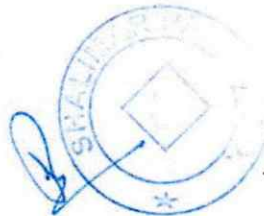
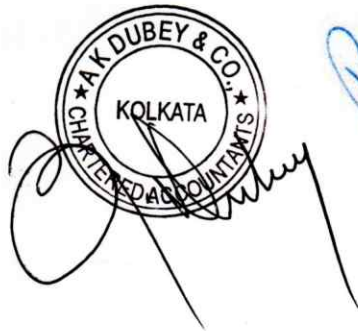
In terms of the provision of Chapter V (Preferential Issue) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time ("ICDR Regulations"), relevant date for determining the minimum price for the preferential allotment of the equity shares and OCDs is 11 January 2022

Trading volume of equity shares during 26 weeks prior to the Relevant Date

National Stock Exchange of India Limited – 2,98,54,273
BSE Limited - 48,94,514

Stock Exchange as per Regulation 164 of SEBI ICDR Regulations:

National Stock Exchange of India Limited



**SHALIMAR
PAINTS**

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.
Call: +91 124 461 6600 Fax: +91 124 461 6659 Toll Free: 1800-103-6509

Email Id: askus@shalimarpaints.com Website: www.shalimarpaints.com CIN: L24222HR1902PLC065611



**SHALIMAR
PAINTS**

Determination of the minimum price of equity shares and conversion shares being higher of:

- (a) The average of the weekly high and low of the volume weighted average price of the equity shares of the Company quoted on the National Stock Exchange of India Limited during the twenty-six weeks preceding the relevant date (i.e. 11-Jan-22)

Weeks (representing twenty-six weeks preceding the relevant date)	From	To	Weekly high of the volume weighted average price of the equity share (INR)	Weekly low of the volume weighted average price of the equity share (INR)	Average Price (INR)
1	13-Jul-21	19-Jul-21	115.92	109.87	112.90
2	20-Jul-21	26-Jul-21	113.11	111.64	112.38
3	27-Jul-21	02-Aug-21	109.68	107.10	108.39
4	03-Aug-21	09-Aug-21	110.82	107.69	109.26
5	10-Aug-21	16-Aug-21	104.07	99.79	101.93
6	17-Aug-21	23-Aug-21	104.19	96.14	100.17
7	24-Aug-21	30-Aug-21	95.32	93.61	94.47
8	31-Aug-21	06-Sep-21	99.14	94.88	97.01
9	07-Sep-21	13-Sep-21	101.43	97.07	99.25
10	14-Sep-21	20-Sep-21	97.53	94.53	96.03
11	21-Sep-21	27-Sep-21	96.31	90.58	93.45
12	28-Sep-21	04-Oct-21	97.43	93.17	95.30
13	05-Oct-21	11-Oct-21	97.87	97.06	97.47
14	12-Oct-21	18-Oct-21	97.91	96.46	97.19
15	19-Oct-21	25-Oct-21	94.98	90.16	92.57
16	26-Oct-21	01-Nov-21	94.10	91.12	92.61
17	02-Nov-21	08-Nov-21	91.18	90.59	90.89
18	09-Nov-21	15-Nov-21	97.05	95.53	96.29
19	16-Nov-21	22-Nov-21	111.17	103.56	107.37
20	23-Nov-21	29-Nov-21	111.41	101.39	106.40
21	30-Nov-21	06-Dec-21	105.46	102.36	103.91
22	07-Dec-21	13-Dec-21	108.25	105.83	107.04
23	14-Dec-21	20-Dec-21	108.34	104.98	106.66
24	21-Dec-21	27-Dec-21	114.26	107.12	110.69
25	28-Dec-21	03-Jan-22	115.10	109.62	112.36
26	04-Jan-22	10-Jan-22	117.20	111.80	114.50
Average Price (Rs.)					102.17

Contd...

A.K. DUBEY & CO. ★
KOLKATA
CHARTERED ACCOUNTANTS



**SHALIMAR
PAINTS**

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.

Call: +91 124 461 6600 Fax: +91 124 461 6659 Toll Free: 1800-103-6509

Email Id: askus@shalimarpaints.com Website: www.shalimarpaints.com CIN: L24222HR1902PLC065611



**SHALIMAR
PAINTS**

(b) The average of the weekly high and low of the volume weighted average prices of the equity shares of the Company quoted on the National Stock Exchange of India Limited during the two weeks preceding the relevant date (i.e., 11-Jan-22)

Weeks (representing twenty-six weeks preceding the relevant date)	From	To	Weekly high of the volume weighted average price of the equity share (INR)	Weekly low of the volume weighted average price of the equity share (INR)	Average Price (INR)
1	28-Dec-21	03-Jan-22	115.10	109.62	112.36
2	04-Jan-22	10-Jan-22	117.20	111.80	114.50
Average Price (Rs.)					113.43

Minimum Price: Higher of (a) or (b) in above table i.e., INR 113.43

For Shalimar Paints Limited

Shikha Rastogi
Company Secretary
Place: Gurugram
Date: 02nd February'2022



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.
Call: +91 124 461 6600 Fax: +91 124 461 6659 Toll Free: 1800-103-6509
Email Id: askus@shalimarpaints.com Website: www.shalimarpaints.com CIN: L24222HR1902PLC065611