

July 29, 2019

Shalby/SE/2019-20/35

The Listing Department
National Stock Exchange of India Ltd

Scrip Code : SHALBY

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

Corporate Service Department
BSE Limited

Scrip Code: 540797

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

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

Dear Sir/Madam,

In terms of Regulation 32 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we are enclosing herewith Utilization of issue proceeds of IPO as on June 30, 2019 as reviewed by Audit Committee at its meeting held on today, i.e. July 29, 2019. We also enclose herewith Monitoring Agency Report for the quarter ended June 30, 2019 issued by HDFC Bank Ltd., for utilization of issue proceeds of Initial Public Offer of the Company.

You are requested to kindly take the same on your records.

Yours faithfully,
For Shalby Limited



Jayesh Patel
Company Secretary & Compliance Officer
Mem. No: ACS14898



Encl.: as above

Statement of Utilization of Issue proceeds, including deviation or variation, if any, pursuant to regulation 32 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015

Name of Issuer: Shalby Limited

Quarter ended: June 30, 2019

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

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


Particulars	Amount to be Funded from the Net Proceeds	Actual Utilization up to quarter ended June 30, 2019	(₹ in million) Pending for utilization as on June 30, 2019
Repayment or prepayment in full or in part of certain loans availed by our Company	3,000.00	3000.00	-
Purchase of medical equipment for existing, recently set up and upcoming hospitals	635.80	147.22	488.58
Purchase of interiors, furniture, and allied infrastructure for upcoming hospitals	111.84	-	111.84
General corporate purposes	816.64	726.69	89.95
Total	4,564.28	3,873.91	690.37

Unutilized amount of net issue proceeds of ₹ 690.37 million have been invested as Bank FD.

2. Deviation/variation in the use of issue proceeds from the objects as stated in the offer document and in explanatory statement to the notice for the general meeting.

As per Guidance Note on SEBI circular dated May 3, 2018, we confirm that there is no deviation or variation in the use of net proceeds received from the Initial Public Offer as stated in the Prospectus dated December 11, 2017. However, the utilization is not as per the timeline that was originally proposed in the Offer Document. There is a delay in utilization of the IPO Proceeds which is also covered in the Offer Document. The Board of Directors of the Company has recommended members for passing of special resolution for variation in terms of objects of Initial Public offering in the ensuing Annual General Meeting scheduled on August 26, 2019.

For Shalby Limited


Prahlad Rai Inani
Chief Financial officer

Place: Ahmedabad

Date: July 29, 2019



SCHEDULE IX

MONITORING REPORT

NAME OF THE MONITORING AGENCY: HDFC Bank Limited

MONITORING REPORT FOR THE QUATER ENDED: **June 30, 2019**

(1) Name of the Issuer: Shalby Limited

(a) Deviation from the objects: N.A


(b) Range of Deviation*: NIL [For delay in utilization of IPO Proceeds refer Note 1, 2 & 3 at the end of the report]

Declaration:

We hereby declare that this report is based on the format as prescribed by SEBI (ICDR) Regulations, 2009, as amended. I/We further declare that this report provides true and fair view of the utilization of issue proceeds.

We declare that we do not have any direct / indirect interest in or relationship with the issuer/promoters/directors/management and also confirm that we do not perceive any conflict of interest in such relationship / interest while monitoring and reporting the utilization of issue proceeds by the issuer.

Signature:



Name of the Authorized Person/Signing Authority: **Siddharth Jadhav**

Designation of Authorized person/Signing Authority: **Senior Manager**

Seal of the Monitoring Agency:



Date: - 26/07/2019

1. Issuer Details:

Name of the issuer	Shalby Limited
The names of the promoters of the issuer	Dr. Vikram Shah
	Dr. Darshini Shah
	Shanay Shah
	Zodiac Mediquip Limited
Industry/sector to which it belongs	Shah Family Trust
	Healthcare

2. Issue Details:

Issue Period	December 05, 2017 to December 07, 2017
Type of issue (public/rights)	Initial Public Offering
Type of specified securities	Equity Shares
Grading	NA
Issue size	Rs. 4,800.00 million
Issue Expenses	Rs. 235.73 million
Net Proceeds	Rs. 4,564.28 million



3. Details of the arrangement made to ensure the monitoring of issue proceeds:

(Give item by item description for all the objects stated in offer document separately in following format)

Particulars	Reply	Repayment or prepayment in full or in part of certain loans availed by our Company		Purchase of medical equipment for existing, recently set up and upcoming hospitals		Purchase of interiors, furniture, and allied infrastructure for upcoming hospitals	
		Comment of Monitoring Agency	Comments of Board of Directors	Comment of Monitoring Agency	Comments of Board of Directors	Comment of Monitoring Agency	Comments of Board of Directors
Whether all the utilisation is as per disclosure in Offer Document?	Yes/ No	Yes	Yes	Yes	Yes	Yes	Yes
				[However, the utilization is not as per the timeline that was originally proposed in the Offer Document. There is a delay in utilization of the IPO Proceeds which is also covered in the Offer Document. For reasons for delay in utilization of IPO Proceeds refer Note: 1,2 & 3 at the end of the report]			
Whether Shareholder approval is obtained in case of material deviations# from expenditures disclosed in Offer Document?	Yes/ No	NA	NA	NA	NA	NA	NA
				[As the points relating to delay in utilization of IPO Proceeds are covered adequately in the Offer Document, there is no requirement of obtaining Shareholder approval as of now]			
Whether means of finance for disclosed objects of the Issue has changed?	Yes/ No	No	No	No	No	No	No
Any major deviation observed over the earlier monitoring agency reports?	Yes/ No	No	No	Yes	Yes	Yes	Yes
				[For delay in utilization of IPO Proceeds refer Note : 1,2 & 3 at the end of the report]			
Whether all Government / Statutory approvals related to the object(s) obtained?	Yes/ No	NA	NA	NA	NA	NA	NA
Whether all arrangements pertaining to technical assistance/collaboration in operation?	Yes/ No	NA	NA	NA	NA	NA	NA
Any favorable events improving object(s) viability	Yes/ No	NA	NA	NA	NA	NA	NA
Any unfavorable events affecting object(s) viability	Yes/ No	NA	NA	NA	NA	NA	NA
Any other relevant information that may materially affect the decision making of the investors	Yes/ No	No	No	No	No	No	No

Where material deviation may be defined to mean:

- Deviation in the objects or purposes for which the funds have been raised
- Deviation in the amount of fund actually utilized by more than 10% of the amount projected in the offer documents.



4. Details of object(s) to be monitored:

(i) Cost of object(s)-

Rs. In Millions

Sl. No.	Item Head	Original Cost (as per offer document)	Revised Cost	Comments of Monitoring Agency	Comments of Board of directors		Particulars of Firm arrangements made
					Reason of cost deviation	Proposed financing option	
1	Repayment or prepayment in full or in part of certain loans availed by our Company	3000.00	N.A.	NA	NA	NA	NA
2	Purchase of medical equipment for existing, recently set up and upcoming hospitals(1)	635.80	N.A.	NA	NA	NA	NA
3	Purchase of interiors, furniture, and allied infrastructure for upcoming hospitals	111.84	N.A.	NA	NA	NA	NA
4	General corporate purposes(2)	816.64	N.A.	NA	NA	NA	NA

(ii) Progress in the object(s)-

Details of IPO proceeds and object wise utilization

Rs. In Millions

Particulars	Objects of the issue as per prospectus	Utilisation till June 30, 2019	Amount pending Utilisation*
Repayment or prepayment in full or in part of certain loans availed by our Company	3,000.00	3,000.00	-
Purchase of medical equipment for existing, recently set up and upcoming hospitals	635.80	147.22	488.58
Purchase of interiors, furniture, and allied infrastructure for upcoming hospitals	111.84	-	111.84
General corporate purposes	816.64	726.69	89.95
Net Proceeds of the Issue	4,564.28	3,873.91	690.37



50°

%

%

0%

00°

Object(s) Name	Completion Date				Delay (No. of days/ months)	Comments of Board of Directors	
	As per Offer Document		Actual			Reason of delay	Proposed Course of Action
	FY 2017-18	FY 2018-19	FY 2017-18	FY 2018-19			
Repayment or prepayment in full or in part of certain loans availed by our Company	3,000.00		3,000.00		No Delay		
Purchase of medical equipment for existing, recently set up and upcoming hospitals					Delay of 15 months as on 30 th June 2019 for Rs 99.15 Million		
Purchase of interiors, furniture, and allied infrastructure for upcoming hospitals					N.A		I refer Note
	3,246.37	230.54	3,147.22				

I refer
Note

Notes: Clarification provided by the company with reference to delay in utilization of IPO Proceeds

- 1) For Purchase of new medical equipment for our existing hospitals (Krishna Shalby, SG Shalby and Shalby Vapi) company had planned to Invest in high end medical equipment, however due to change in Government policies, NPPA price regime and price control regulations company had to re-look the return on Investment, hence delayed the decision considering diligent business analysis.
- 2) For Purchase of medical equipment and Purchase of interiors, furniture and allied infrastructure for our hospital being constructed and set up in Nashik and Vadodara :
 - a) Nasik project is an O&M arrangement where the partner is constructing entire infrastructure for the company and once the construction is completed; company is supposed to invest for Purchase of medical equipment, interiors, furniture, and allied infrastructure. On reason of certain medical grounds where the partner was hospitalized for long time, partner is not able to complete the construction work in estimated time resulting in delay of handover to company. Though the project is delayed, but now its work is back in progress and will be handed over to company towards later part of F.Y 2019-20.
 - b) Vadodara project is an O&M arrangement where the partner is constructing entire infrastructure for the company and once the construction is completed; company is supposed to invest for Purchase of medical equipment, interiors, furniture, and allied infrastructure. Due to non-viable commercial terms and partner opting to back out from the project, definitive agreement could not be executed between the parties and hence the project is dropped.
- 3) Management has proposed for change of object of unutilized IPO proceed and recommended the same to be utilized for Repayment / prepayment of Loan and General Corporate Purpose (GCP) which was approved by Board of Directors in board meeting held on May 25, 2019 subject to the approval of members in the ensuing 15th AGM. The object will be changed in accordance with the permissible norms prescribed under SEBI guidelines.

