



Shaily Engineering Plastics Ltd Annual Report 2017 - 18



Enriching Lives Through Plastics

Shaily Engineering Plastics Ltd
Annual Report 2017 - 18

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Corporate Information

Board of Directors

Mr. Mahendra Sanghvi	Executive Chairman
Mr. Amit Sanghvi	Managing Director
Mr. Laxman Sanghvi	Executive Director
Ms. Tilottama Sanghvi	Whole Time Director
Mr. Sarup Chowdhary	Independent Director
Mr. P R Singhvi	Independent Director
Mr. Milin Mehta	Independent Director
Mr. Dilip G. Shah	Independent Director

Chief Strategy Officer

Mr. Sanjay Shah

Chief Financial Officer

Mr. Chintan Shah

Asst. Company Secretary

Ms. Preeti Sheth

Key Officials

Mr. S. K. Dash Vice President – Projects

Committees of Board

Audit Committee

Mr. Milin Mehta	Chairman
Mr. Sarup Chowdhary	
Mr. Pushp Raj Singhvi	
Mr. Dilip Shah	

Nomination & Remuneration Committee

Mr. Sarup Chowdhary	Chairman
Mr. Pushp Raj Singhvi	
Mr. Milin Mehta	
Mr. Mahendra Sanghvi	

Stakeholders Relationship Committee

Mr. Milin Mehta	Chairman
Mr. Pushp Raj Singhvi	
Mr. Amit Sanghvi	

Corporate Social Responsibility Committee

Mr. Pushp Raj Singhvi	Chairman
Mr. Laxman Sanghvi	
Ms. Tilottama Sanghvi	

Auditors

Statutory Auditors

M/s Deloitte Haskin & Sells Chartered Accountants

Internal Auditors

M/s Shah Jain & Hindocha Chartered Accountants

Secretarial Auditors

M/s Samdani Shah & Kabra Company Secretaries

Cost Auditors

M/s Y S Thakar & Co. Cost Accountants

Bankers

State Bank of India
Standard Chartered Bank
HDFC Bank Limited

Registrar & Share Transfer Agent

Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri East, Mumbai 400 059
www.bigshareonline.com
investors@bigshareonline.com

Registered Office

Survey No. 363/364/366
Rania
Vadodara
Gujarat 391780
India

Plant Locations

Rania/EOU/Pharma Packaging/ Finishing Plants

Survey No. 363/364/366
Rania
Vadodara
Gujarat 391780
India

Halol Plant

Plot No. 706/707/708,
GIDC, Halol
Dist. Panchmahals
Gujarat 389350
India

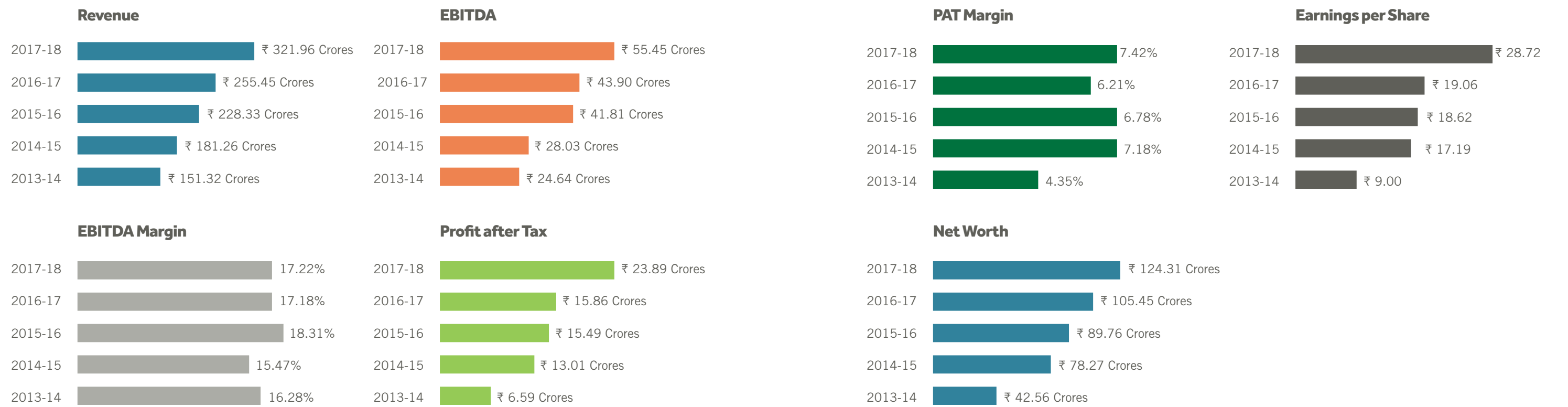
Five Year Highlights

₹ in lakhs

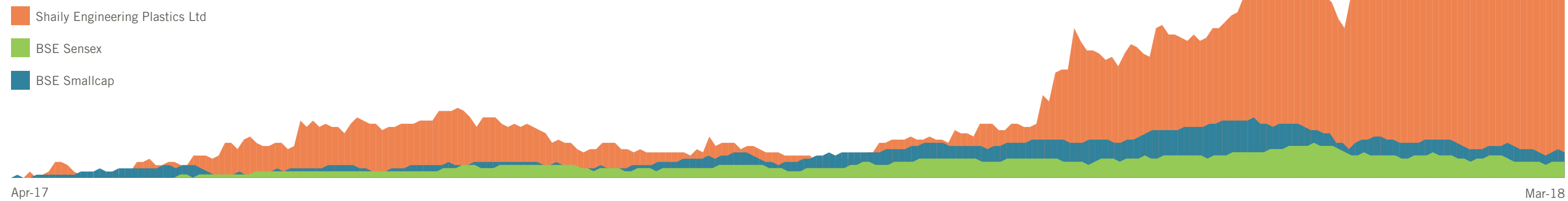
Particulars	FY18	FY17	FY16	FY15	FY14
Sources of Funds					
Share Capital	831.84	831.84	831.84	831.84	731.84
Reserves & Surplus	11,598.78	9,713.15	8,143.78	6,995.05	3,523.72
Net-Worth	12,430.62	10,544.99	8,975.62	7,826.89	4,255.56
Borrowings – Long Term	2,096.17	1,596.79	3,085.59	3,274.74	3,815.05
Capital Employed	23,610.54	17,455.61	16,521.37	16,936.59	11,344.55
Income and Profits					
Revenue	32,195.90	25,545.36	22,833.44	18,125.88	15,132.07
EBIDTA	5,544.83	4,389.91	4,180.54	2,803.47	2,464.24
EBIDTA (%)	17.22%	17.18%	18.31%	15.47%	16.28%
Profit before Tax	3,422.75	2,316.66	2,141.50	1,489.67	1,023.86
Profit before Tax (%)	10.63%	9.07%	9.38%	8.22%	6.77%
Tax	1,033.60	731.10	592.30	188.79	365.31
Profit After Tax	2,389.15	1,585.56	1,549.20	1,300.88	658.55
Profit After Tax (%)	7.42%	6.21%	6.78%	7.18%	4.35%
Dividend Per Share	7.50**	5.00	4.00	2.00	-
Retained Earnings	2389.15*	1,585.56	1,148.73	1,101.24	658.55
*Considering No Dividend **Proposed Dividend					
Others					
Gross Fixed Assets	11,328.51	9,774.48	9,765.87	7,763.26	4,959.41
Net worth per equity (₹)	149.43	126.77	107.90	94.09	58.15
Debt – Equity Ratio	0.86	0.63	0.75	1.06	1.55
Shareholders (Nos.)#	3023	3694	2430	435	232

As on 31 March .

Figures of FY18 & FY17 are as per IND-AS



Stock Price Performance



Board's Report

Dear Members,

Your Directors have pleasure in presenting their 38th Annual Report together with the Audited statement of Accounts for the year ended on 31st March, 2018.

Financial Summary & Highlights

₹ in lakhs

	FY 2017-18	FY 2016-17
Net Total Income	32,195.90	25,545.36
Gross Operating Profit (Profit before Interest, Depreciation & Tax)	5,544.83	4,390.91
Finance Cost	672.73	738.15
Depreciation & amortization expense	1,449.34	1,335.10
Profit before Tax	3,422.76	2,316.66
Provision for Tax	1,033.60	731.10
Total Comprehensive Income	(3.93)	(15.58)
Profit after Tax	2,386.22	1,569.98

The above figures are extracted from the financial statements prepared in accordance with Indian Accounting Standards (Ind AS) as specified in the Companies (Indian Accounting Standard) Rules, 2015, as amended in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated July 05, 2016. The Company has for the first time adopted Ind AS for the financial year commencing from April 01, 2017 with a transition date of April 01, 2016.

Equity shares are at par value of ₹10 per share

Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs (MCA) vide its Notification in the Official Gazette dated February 16, 2015, notified Indian Accounting Standards (Ind-AS) applicable to certain class of companies. Ind AS has replaced the exisiting Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. For Shaily, Ind AS is applicable from April 01, 2017, with a transition date of April 01, 2016 and IGAAP as the previous GAAP.

Key IND AS adjustments

- Actuarial gain/loss arising on measurement of gratuity provision has been reclassified to OCI.
- Upfront fees paid with regards to term loan has been considered as deferred liability payment and will be amortized over the term of the loan equally.
- Investment in toolings for specific customers re-classified as Finance Lease, thereby changing depreciation and amortization rates & schedules, resulting in differential margins.
- Finance lease receivables has been accrued in the books with regards to recovery schedule of moulds.
- Borrowings are measured at Amortized Cost using Effective Interest Rate.

The effect of the transition from IGAAP to IND AS on equity, comprehensive income and cash flow have been provided in Note 42 in the notes to accounts in the financial statements.

Appropriations

Transfer to Reserves

The Company does not propose to transfer amounts to the general reserve out of the amount available for appropriation.

Dividend

Your Directors recommend a dividend of ₹ 7.5/- per equity share of ₹ 10/- each.(i.e. 75 %) .(P.Y. 50%). The proposal is subject to approval of members at the ensuing 38th Annual General Meeting (AGM).

The Register of Members and Share Transfer Books will remain closed from 06th August, 2018 to Monday, 13th August, 2018 (both days inclusive) for the purpose of payment of final dividend for the financial year ended on 31st March, 2018. The AGM is scheduled to be held on Monday, 13th August, 2018.

Operations & State of Affairs

The Company’s total revenue has been ₹ 319.7 cr in the current year, an increase of 29.4 % year on year.

- EBITDTA for the year has been ₹ 55.4 cr.
- Profit before Tax (PBT) for the year is ₹ 34.2 cr.
- PAT for the year is ₹ 23.9 cr.

Change in Logo – New Branding

“Growth is the only evidence of life.”

This year, the Company has adopted a new branding with change of logo. Our business has grown and evolved over the years, and we felt it was a time for a change. We have refreshed our logo to reflect who we are today and to symbolise our future. Shaily’s new logo signifies the vibrancy of the organization with its modern business processes and open work culture, while still being humble in its approach to any work and keeping quality as its fundamental goal. The new logo also differentiates the different sectors, the company operates in, giving Shaily a new brand identity.

Participation at Global Events

The Company, in this year, participated at Global Events namely;

- CpHI Worldwide at Germany, one of the largest global pharmaceutical trade fair.
 - Pharmapack Europe 2018 at France, a key trade fair for the pharmaceutical packaging and drug delivery sectors.
- The Company garnered a good response at the events.

Awards and Recognition

The Company continues its quest for excellence in its chosen area of business. The Company, this year, was awarded with:

- “Gold Winner” for outstanding export of finished plastic goods by PlastIndia Foundation on 7th Feb 2018 at Plasticon Awards, 2018.
- Top Exporter Award (1st Position) for exports out of RCT, Vadodara by Container Corporation of India Ltd on 17th November, 2017 at Concor Awards, 2017.

Management Discussion and Analysis

In terms of the provisions of Regulation 34 of the SEBI Listing Regulations, the Management discussion and analysis is set out in this Annual report at Annexure A.

Analyst & Investor Meets / Conference Calls

The Company, hosts Earnings Call to discuss the financial, operational and business performance with Investors/Analysts, every quarter, after declaration of the results. Result presentations and transcripts of the earnings call held till date is available on the website of the Company at www.shaily.com at <http://www.shaily.com/investor-presentation.aspx>

The Company, also participated in various Institutional Investor/Analyst meets during the year. The details of the participation(s) is available on the website of the Company www.shaily.com.

Investor/Analyst Meet Organized by the Company.

The Company hosted its 1st Investor/Analyst meet on 26th February, 2018 at Mumbai wherein the Company witnessed an attendance of 175+ participants. Presentation and the transcript of the said meet is available at <http://www.shaily.com/investor-presentation.aspx>.

Quality accreditations

The Company continues its focus on quality and strives to exceed customer expectations at all times. SEPL is certified under various standards to meet client demands and enhance value delivery.

Shaily is accredited with the following certifications:

TUVRheinland – ISO 9001:2008

Scope: Design, Development and manufacturing of plastic molded components and assemblies.

Automotive – TUVRheinland – ISO/TS 16949:2009

Scope: Manufacture of Plastic Molded components for interiors, seating systems, lightning systems, radiator tanks and guide bush for the automotive industry without product design and development.

Medical Devices – TUVRheinland – ISO 13485-2003

Scope: Manufacturing of Plastic molded components and assemblies used in Medical Devices.

Primary Packaging – ISO 15378 certification

Scope: Quality management system for manufacturers of pharmaceutical and medical device primary packaging materials.

Conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo

The information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith as Annexure B.

Credit Rating

CARE continues to accord the ratings on the bank facilities of the Company as under:

Long term facilities – CARE A-; Stable

Short term facilities – CARE A2+

On total bank facilities of ₹ 142.22 cr.

Directors & Key Managerial Personnel

As per the provisions of the Companies Act, 2013, Mr. Mahendra Sanghvi, Executive Chairman (DIN: 00084162), retires by rotation at the ensuing AGM and being eligible, seeks re-appointment. The Board recommends his re-appointment.

Key Managerial Personnel

Mr. Mahendra Sanghvi, Executive Chairman, Mr. Laxman Sanghvi, Executive Director, Ms. Tilottama Sanghvi, Whole Time Director, Mr. Amit Sanghvi, Managing Director, Mr. Sanjay Shah, CFO & Vice President – Finance and Ms. Preeti Sheth, Asst. Company Secretary are Key Managerial Personnel of the Company as on 31st March, 2018, in accordance with Companies Act, 2013.

Note: Mr. Sanjay Shah is designated as Chief Strategy Officer effective from 01st April, 2018 and Mr. Chintan Shah is appointed as Chief Financial Officer effective from 01st April, 2018.

Meetings of Board

The Board met four times during the financial year. The meeting details are provided in the Corporate Governance Report that forms part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

Policy on Directors’ Appointment and Remuneration

The existing policy is to have an appropriate mix of executive and independent directors to maintain independence of the Board and separate its functions of governance and management. As of 31st March, 2018, the Board had 8 members, 4 of whom are executive directors and four are independent directors.

The policy of the Company on directors’ appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on our website [www.shaily.com](http://www.shaily.com/investors-details.aspx?id=10) at <http://www.shaily.com/investors-details.aspx?id=10>

There has been no change in the policy since the last financial year. We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration policy of the Company.

Declaration by Independent Directors

The Independent Directors of the Company have given the declaration to the Company that they meet the criteria of independence as required under the Act and the Listing Regulations.

Familiarization Programme

All new independent directors inducted into the Board attend an orientation program. At the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities. The format of the letter of appointment is available on our website www.shaily.com.

The Board members are provided with necessary reports, internal policies, periodical plant visits to enable them to familiarize with the Company’s procedures and practices.

Periodic presentations are made at the meetings of the Board and the committees, on business and performance updates, global business environment, business strategy and risks involved.

The details of familiarization programme for Independent Directors are available at our website. www.shaily.com at <http://www.shaily.com/investors-details.aspx?id=10>.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of the Board and of individual directors on an evaluation framework as adopted by the Board.

The framework includes evaluation of directors on various parameters such as:

- Board dynamics and relationships
- Information flows
- Decision – making
- Company performance and strategy
- Tracking board and committee’s effectiveness
- Peer evaluation

The outcome of the Board Evaluation for FY 2017-18 was discussed by the nomination and remuneration committee and the Board meeting held on 14th May, 2018.

Committees of the Board

Currently, the Board has four committees, namely;

- Audit Committee
 - Nomination & Remuneration Committee
 - Stakeholders Relationship Committee
 - Corporate Social Responsibility Committee
- A detailed note on the composition of the Board, its committees is provided in the Corporate Governance Report.

Corporate Governance

The Company believes in adopting best practices of corporate governance. Corporate governance principles are enshrined in the spirit of the Company, forming its core values. These guiding principles are also articulated through the Company’s code of business conduct, corporate governance guidelines, charter of various sub-committees and disclosure policy.

Our Corporate Governance Report for FY 2017-18 forms part of this Annual Report.

Audit Reports and Auditors

Audit Reports

- The Auditors' Report for FY 2017-18 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.
- The Secretarial Auditors' Report for the FY 2017-18 does not contain any qualification, reservation or adverse remark. The Secretarial Auditors' Report is enclosed as Annexure F to the Board's Report in this Annual Report.
- As required by the SEBI Listing Regulations, the auditors' certificate on corporate governance is enclosed with the Corporate Governance Report in this Annual Report. The auditors' certification for FY 2017-18 does not contain any qualification, reservation or adverse remark.

Auditors

Statutory Auditors

Under Section 139 of the Companies Act, 2013, and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the said section. The Audit Committee of the Company has proposed, and on May 14, 2018, the Board of Directors of the Company has recommended the appointment of M/s B S R & Associates LLP (Firm Registration number 116231W/W-100024 ("BSR")) as the statutory auditors of the Company. BSR will hold office for a period of five consecutive years from the conclusion of the 38th Annual General Meeting of the Company scheduled to be held on Monday, August 13, 2018, till the conclusion of the 43rd Annual General Meeting to be held in the year 2023, subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting. The first year of audit will be of financial statements for the year ending March 31, 2019, which will include the audit of quarterly financial statements from Q2FY19.

Secretarial Auditor

The Board has appointed M/s Samdani Shah & Kabra, Company Secretaries, as Secretarial Auditor of the Company for the FY 2018-19, in terms with Section 204 of the Companies Act, 2013 with rules thereunder.

Cost Auditors

M/s Y.S. Thakar & Co., Cost Accountants, Vadodara are appointed as Cost Auditors of the Company to conduct audit of cost records of the Company for FY 2018-19.

Based upon the declaration on their eligibility, consent and terms of engagement, the Board has appointed them and recommend the ratification of remuneration to be paid to the Cost Auditors for FY 2018-19.

Internal Auditors

The Board has appointed M/s Shah Jain & Hindocha, Chartered Accountants as Internal Auditors of the Company for FY 2018-19.

Risk Management

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

Vigil Mechanism

The Company has a well-defined "Whistle Blower Policy" and has established a robust Vigil Mechanism for reporting of concerns raised by employees and to provide for adequate safeguards against victimisation of Directors and employees who follow such mechanism and has also made provision for direct access to the Chairman of Audit Committee in appropriate cases.

The Vigil Mechanism Policy of the Company is available on the Company's website at www.shaily.com

Internal Financial Control & its Adequacy

The Company's internal control procedures which includes internal financial controls, ensure compliance with various policies, practices and statutes and keeping in

view the organisation's pace of growth and increasing complexity of operations. The internal auditors team carries out extensive audits throughout the year across all plants and functional areas and submits its reports to the Audit Committee of the Board of Directors.

Contracts & Arrangements with Related Parties

All contracts/arrangements entered by the Company during the financial year with related parties were in ordinary course of business and on arm's length basis. During the year, the Company did not enter into any contracts/arrangements/transaction with related parties which could be considered material.

The Directors draw attention to the members to Note no. 32 to the financial statement in this Annual Report, which sets out related party disclosures.

The Board has approved a policy for related party transactions which is available on the company's website at www.shaily.com at <http://www.shaily.com/investors-details.aspx?id=10>.

Particulars of Loans, Guarantees or Investments

Loan, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the financial statements provided in this Annual Report.

Fixed Deposits

The Company has not accepted deposits from the public falling within the ambit of section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the financial year 2017-18.

Corporate Social Responsibility (CSR)

Being an Indian company, we are motivated by the Indian ethos of Dharma as a key plank for organisational self-realisation. The Company recognizes that its operations impact a wide community of stakeholders, including investors, employees, customers, business associates and local communities and that appropriate attention to the fulfillment of its corporate responsibilities can enhance overall performance. The Company continues its spend to support local initiatives health/ medical, education and sanitation/ cleanliness purpose as Corporate Social Responsibility initiatives.

Guided by the prevailing regulatory requirements, the Company has constituted a ‘Corporate Social Responsibility (CSR) Committee’ and framed a Policy on CSR, summary of which together with details of CSR activities undertaken by the Company during the financial year 2017-18, have been covered in separate report on CSR, annexed as Annexure C.

The Policy on Corporate Social Responsibility is available on the Company’s website. www.shaily.com at <http://www.shaily.com/investors-details.aspx?id=10>.

Extract of Annual Return

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as Annexure D.

Secretarial Standards

The Company complies with all the applicable secretarial standards.

Particulars of Employees and Related Disclosures

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as Annexure E.

Obligation of Company under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has in place a Policy against Sexual Harassment at workplace in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding Sexual Harassment. All employees (permanent, contractual, temporary and trainees) are covered under this Policy.

No Complaint has been received by the Committee during the year.

Listing of Shares

The Equity shares of the Company are listed on the BSE Ltd. (BSE) with scrip code 501423 and scrip ID - SHAILY. The Company confirms that the annual listing fees to the stock exchange for the FY 2018-19 has been paid.

Material Changes

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. since 31st March, 2018. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

Significant/Material Orders Passed by Regulators/Courts/Tribunal

There are no significant and material orders passed by the Regulators or Courts or Tribunals that may impact the going concern status of the Company’s operation.

Green Initiative

Electronic copies of the Annual Report 2017-18 and the Notice of the 38th Annual General Meeting are sent to all members whose email addresses are registered with the Company/depository participant(s). For members who have not registered their email addresses, physical copies are sent in the permitted mode.

Directors’ Responsibility Statement

In terms of the provisions of Companies Act, 2013, the Directors confirm that;

- i. in preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards have been followed;
- ii. They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and profit and loss of the Company for that period;
- iii. They have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. They have prepared the annual accounts on a going concern basis.
- v. They have laid down internal financial controls, which are adequate and are operating effectively.
- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Acknowledgements

We thank our customers, vendors, investors, bankers for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth is made possible by their hard work, solidarity, cooperation and support.

We also thank our suppliers, customers, business partners and others associated with the Company. We look upon them as partners in its progress. It will be Company's endeavor to build and nurture strong links with the trade based on mutuality of benefits, respect to and co-operation with each other, consistent with consumer interests and looks upon all the stakeholders for their continued support in future.

For and on behalf of the Board of Directors

Mahendra Sanghvi
Executive Chairman

Amit Sanghvi
Managing Director

Vadodara
May 14, 2018



Annexure A

Management Discussion & Analysis

Overview

Shaily Engineering Plastics Limited (SEPL) is a pioneer in engineering plastics. We have an expertise of manufacturing complex precision components & assemblies and have an experience of decades to our credit. Over the years, we have not only strengthened our area of expertise but has also integrated all post molding services such as pad printing, vacuum metalizing, hot stamping, hot foiling, ultrasonic welding, vibration welding and assemblies. We have been offering total solutions in plastics i.e. development, manufacturing and validation. We are catering to fortune 100 companies in the space of Consumer & FMCG, Pharmaceutical and Retail. Today, we have five facilities with over 100 injection molding machines ranging from 35 tons to 1000 tons including a dedicated ISO Class 8 clean room manufacturing facility.

Global Economy

The World Bank forecasts global economic growth to edge up to 3.1 percent in 2018 after a much stronger-than-expected 2017, as the recovery in investment, manufacturing, and trade continues, and as commodity-exporting developing economies benefit from firming commodity prices. It was majorly driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters. Key emerging market and developing economies, including Brazil, China, and South Africa, also posted third-quarter growth stronger than the fall forecasts.

As per the latest IMF report, world growth forecast for 2018-19 has been revised by 0.2% to 3.9%. supported by strong momentum, favourable market sentiment, accommodative financial conditions, and the domestic and international repercussions of expansionary fiscal policy in the United States.

Indian Economy

The year 2017 was marked by several key structural initiatives to build strength across macro-economic parameters for sustainable growth in the future. These reforms are expected to help reduce internal barriers to trade, increase efficiency and improve tax compliance. The 1st half of the economy felt the continuing effects from demonetization and the implementation of GST from 1st July 2018. But the economy recovered from the initial setbacks to grow at over 7% in the 3rd quarter. The 2017-18 fiscal year GDP growth was pegged at 6.6% and is estimated to grow at 7.3% in 2018-19.

Plastics Processing Industry

The plastics processing industry in India has grown at CAGR of 10% in volume terms from 8.3 MMPTA in FY10 to 13.4 MMPTA in FY16. The industry is expected to grow at 10.5% CAGR from FY15 to FY20 to reach 22 MMPTA. In value terms, the plastic processing industry has grown at a CAGR of 11% from ₹ 35,000cr in FY05 to ₹ 100,000cr in FY16. The Government of India is taking every possible initiative to boost the infrastructure sector with investments in roads, railways and shipping infrastructure. Investments in water and sanitation management, irrigation, building & construction, power, transport and retail also have been encouraged. Plastics play an important role in these sectors through various products like pipes, wires & cables, water proofing membranes, wood PVC composites and others. Smart cities,

rapid urbanisation, increase in sale of packaged products through retail and e-commerce mode, low per capita consumption, shifting consumer lifestyles, large young population, majority of population of middle income group,

many manufacturing segments adopting higher percentage of plastics, etc are contributing towards the growth of plastics industry. Consequently, higher investments in these sectors will drive the demand for plastics.

Snapshot of India

Estimated size of plastic processing in value (FY16)	Rs 1 Lakh Crore
Market size in volume (FY16)	13.4 MMPTA
Processing Units	> 30,000
Technical manpower	40 Lakh
Growth Rate	11-12%
Per Capita Plastic Consumption	12 Kg (World: 40 Kg)

Sources:

- <http://www.indianmirror.com/indian-industries/2017/plastic-2017.html>
- <http://www.newindianexpress.com/business/2017/apr/29/plastic-sector-bullish-about-fy18-growth-by-10-12-per-cent-1598912.html>
- <https://www.ibef.org/exports/plastic-industry-india.aspx>
- http://www.business-standard.com/content/b2b-plastics-polymers/plastics-consumption-in-india-to-reach-20-mn-tpa-by-2020-116091200536_1.html

Infrastructure:

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India’s overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. As per 12th five-year plan, India has committed USD 1 trillion in upgrading its infrastructure like Power, Telecom, Roads, Irrigation, Railway, Oil & Gas and others.

In addition, with the government’s renewed focus on providing clean water for drinking and improving sanitation

facilities through the construction of individual household toilets, cluster toilets and community toilets under Swachh Bharat Mission. PVC and Chlorinated polyvinyl chloride (CPVC) plays important role in the sustainable management of these sectors through various products like pipes, wires & cables, water proofing membranes, wood PVC composites, food and medicinal packaging. The huge allocation to infrastructure sector, higher focus on water management and on improvement in sanitation facilities provide huge growth potential for plastic manufacturer.

Packaging:

The Indian packaging industry is expected to grow to \$32bn by CY2020 as per the Indian Institute of Packaging (IIP). The industry constitutes about 4% of the global packaging industry. The per capita packaging consumption in India is quite low at 8.7kg compared to countries like Germany (42kg) and Taiwan (19kg), as per data from the Indian Institute of Packaging which clearly indicates under-penetration and provides growth opportunity for Indian plastics packaging. The growth of the Indian packaging industry will be heavily influenced by changing demographics such as growing urbanization and the rising proportion of middle class consumers which will lead more people buying more branded products and hence packaging plays an important role in creating and sustaining brand equity.

Source:

<https://timesofindia.indiatimes.com/business/india-business/indian-electronics-market-expected-to-reach-400-billion-by-2020-study/articleshow/59108734.cms>

Automotive Industry:

Automotive plastics market size is likely to exceed 18 million tons by 2022, growing at a CAGR of over 9.5% from 2015 to 2022. The market is likely to be worth more than 52 billion by 2022, growing at an estimated CAGR of over 13.5%. Plastics provides considerable weight reduction for the automobiles resulting in low fuel consumption and emission thereby increasing the overall vehicle efficiency. Strict norms set by CAFÉ (Corporate Average Fuel Economy) have forced the automobile manufacturers to improve vehicle design fulfilling (complying with) weight reduction, low fuel consumption, and emission control

norms. Shifting of automobile production units to India, Thailand, China, and Indonesia by key manufacturers due to government initiatives and the availability of affordable manpower is expected to stimulate the regional growth.

Sources:

- <https://www.grandviewresearch.com/press-release/global-automotive-plastics-market>
- <https://www.supplychaindive.com/press-release/20161102-global-automotive-plastics-market-size-to-touch-usd-538-billion-mark-by-20-9/>

Electronics:

Demand of electronic products in India is expected to grow at a CAGR of 41% during 2017-2020 to reach \$400 billion by 2020, the domestic production which is currently growing at a CAGR of 27% may touch \$104 billion leaving a huge gap for import to the extent of \$300 billion, according to the joint study brought out by ASSOCHAM and NEC.

A joint study undertaken by NEC Technologies and ASSOCHAM reveals, India is becoming home to a growing middle-class population. Increasing disposable income has led to increased consumer demand for electronics products. The growing customer base and the increasing penetration of electronic products in consumer durables segment have provided enough scope for the growth of plastics in the Indian electronics sector.

Source:

<http://www.assochem.org/newsdetail.php?id=6327>

Pharma Medical Devices:

The Indian pharma industry has been growing at a compounded annual growth rate (CAGR) of more than 15% over the last five years, has significant growth opportunities and is likely to be in the top 10 global markets in value term by 2020. The global medical plastic market size is expected to reach USD 33.6 billion by 2025. Rising demand for sterilized plastics for use in the medical industry is expected to emerge as the major factor driving market growth. The industry is driven by the global population growth, increasing access to the consumers towards healthcare services, primarily in the developing economies, and growing substitution of the metal parts in surgical components. The demand for the product in medical components such as syringes, surgical device components, gloves, and catheter tubing is likely to drive the segment growth at a CAGR of 6.9% by revenue from 2017 to 2025. The Global Human Insulin Market Is Poised to reach ~USD 39.13 Billion by 2020, growing at a CAGR of 8.1% from 2015 to 2020. The industry in Asia Pacific was estimated to account for 24.5% of the global revenue in 2016 driven by the growth in consumer healthcare spending coupled with high levels of medical tourism primarily in China and India.

Sources:

- <https://health.economictimes.indiatimes.com/news/pharma/the-indian-pharma-companies-confidence-is-now-high-and-it-forecasts-rapid-growth-yogesh-mudras/60494835>
- <https://www.grandviewresearch.com/press-release/global-medical-plastics-market>
- <https://www.marketsandmarkets.com/PressReleases/human-insulin.asp>

Outlook for the sectors we operate in

Pharma packaging

Pharmaceutical packaging is one market across the globe which is advancing at a constant pace. Pharma packaging solutions is an essential part of delivery system in the sector that needs to be reliable and speedy and deliver a combination of quality, patient comfort and protection. It protects the medicine and drugs from various external environmental factors. Packaging is critical in pharmaceutical industry and is defined as a technique which allows containment of pharmaceutical product from the time of production in a unit till its use. According to the industry forecasts, the global market is growing rapidly and is expected to reach \$ 158.8 billion by 2025.

Indian Home Furniture Market

The Indian furniture market, which is expected to grow in worth to over \$27 billion by 2022. Home furniture is the largest segment in the Indian furniture industry, accounting for more than 65% of total furniture sales. India furniture market growth is driven by various attributes such as rising trend for modular and state of the art furniture among the population living in urban cities, growing urbanization in Indian states, rising demand for durable and hybrid seating furniture. The demand for low cost plastic furniture is also increasing in commercial sector.

Sources:

- <https://retail.economictimes.indiatimes.com/news/home-and-decor/furniture-and-decor/indian-furniture-market-huge-opportunity-for-asia-hktdc/61126528>
- https://www.ibef.org/download/Furniture_170708.pdf

Beauty and Wellness Industry

The beauty and wellness industry in India is booming, with a tremendous potential for growth in 2018. In fact, it is said to be growing twice as fast as markets in the United States and Europe. India is also the second largest consumer market in the world. According to a KPMG report, the size of India’s beauty and wellness market is expected to touch ₹ 80,370 crores by 2017-2018. This includes the beauty products, beauty salon and spa businesses. India’s male grooming industry is set to grow at compound annual growth rate (CAGR) of about 45 percent and touch Rs 35000 crore (approx. \$5.5 billion) by 2021 from the current Rs 16,800 crore (approx. \$2.64 billion), according to a latest report by Indian industry body The Associated Chambers of Commerce & Industry of India ASSOCHAM. Indian shaving products are the highest contributors to the men’s grooming market followed by Deodorants and antiperspirants. Both are expected to grow at a CAGR of 29% and 25% respectively.

Sources:

- <https://economictimes.indiatimes.com/magazines/panache/between-the-lines/beauty-wellness-in-2018-brand-identity-unique-products-will-drive-the-industry/articleshow/62349944.cms>
- <http://in.fashionnetwork.com/news/India-s-male-grooming-industry-to-grow-at-45-touch-Rs-35000-crore-by-2021,939783.html>

Performance of the Company for FY18

- The company reported revenue of ₹ 319.7 cr in FY18, up from ₹ 252.9 cr in the last year, i.e. a growth of 26.81% YoY.
- The company reported EBITDA of ₹ 55.4 cr in FY18, up from ₹ 43.9 cr in the last year, i.e. a growth of 26.3% YoY.
- Profit before tax (PBT) came in at ₹ 34.2 cr during the year, up from ₹ 23.2 cr in the last year, i.e. a growth of 47.7% YoY.
- The company reported Profit after Tax (PAT) of ₹ 23.9 cr in FY18, up from ₹ 15.9 cr in the last year, i.e. a growth of 50.6% YoY.

Key developments during the year

Commercialized large portion of the ₹ 60 Cr. order received from the Home furnishing major during FY18.

Pharma

- Pen injector order confirmation received in FY17 was further extended for US markets.
- Received confirmation for the development & supply of six different types of Pens for different Therapies/Customers. These are expected to be launched during FY 2019-21.
- Successfully launched Skin care device for five pharmaceutical companies.
- Derma applicator – development completed and samples submitted to customer for approval.
- Received confirmation for development & supply of Anal applicator for global markets from a large domestic Pharma company.

FMCG

- Received confirmations from a Domestic FMCG major (new customer) for manufacture of packaging for one of their flagship products

Auto

- Witnessed ramp up in sales from auto ancillary segment during FY18.
- Successfully converted a Metal part to Plastic for Honeywell.

Awards & Accolades

The Company continues its quest for excellence in its chosen area of business. The Company, this year, was awarded with:

- “Gold Winner” for outstanding export of finished plastic goods by PlastIndia Foundation on 7th Feb 2018 at Plasticon Awards, 2018.
- Top Exporter Award (1st Position) for exports out of RCT, Vadodara by Container Corporation of India Ltd on 17th November, 2017 at Concor Awards, 2017.

Threats, risks and concerns

The Company operates in contract manufacturing segment as an OEM supplier, hence, business depends on customer requirements. Any fluctuation in the customer’s demand can affect the Company’s performance. We are also exposed to project risks due to delay in project implementation/cost escalation, risks on account of fluctuation in FX rates.

Company has adopted sufficient risk management mechanism in terms with the nature of business, segments and sectors it operates in. Risk management systems are periodically reviewed by the Board and optimum steps have been taken to mitigate the risk factors.

Human Resources

With a total workforce of 1200+ employees, which includes staff, permanent employees and contract workers. The prime objective of Human Resource function is employee development. To achieve success and profitability, Company relies on its greatest assets – its intellectual capital.

SEPL’s culture fosters continuous learning. In-house trainings programmes for employees at all levels are conducted on a regular basis.

New employees are educated about the Company with “Induction training”. Under this programme, new recruits undergo an induction training by departmental heads, which offer a broad overview of the Company’s varied functions, processes, strategy and growth objectives. This allows the new incumbent to fit seamlessly within the organization structure, culture and environment.

Employee engagement initiatives

The Company carried our various employee engagement activities including the following:

- Celebration of Diwali, New Year, Women’s day, Mother’s day, Environment day among others.
- Birthday celebrations of employees
- Annual Cricket event
- Organized Seminar on “Health and Hygiene” for women employees to educate and encourage them to adopt better hygiene methods.

Internal Control System

The Company has a system of Internal Controls over financial reporting ensuring the accuracy of the accounting system and related financial reporting. The Internal Control System adheres to local statutory requirements for orderly and efficient conduct of business. The efficacy of the internal checks and control systems are validated by Internal as well as Statutory Auditors.

The Audit Committee reviews the adequacy and effectiveness of the Internal control systems, significant audit observations and monitors the sustainability of remedial measures.

Outlook on opportunities

The past year has witnessed a spate of structural changes and policy reforms that totally shook up the Indian economy. The Indian economy is all set to strengthen on the back of robust activity from the construction, manufacturing, and services sectors. The negative shock from demonetization and GST implementation has largely subsided. With increasing disposable income and aspirations, rising middle class and urbanisation we see a potential growth in sectors like electronics, Automobile, Packaging, Healthcare, Consumer Durables and Telecommunication offering good growth opportunity for plastic consumption in the country.

Plastic being most durable due to tremendous range of properties exhibited by them because of their ease of processing makes it user friendly and hence the plastic consumption is on rise.

Existing wide range of clientele coupled with client additions in the Pharma/Healthcare sector, Consumer & FMCG segments offer a good outlook for us.

With increase in disposable income, rise in middle class, change in lifestyle will boost sectors like pharmaceuticals, packaged foods, Home furnishing market where plastic is majorly used and offer a great opportunity for company like us.

For and on behalf of the Board

Mahendra Sanghvi
Executive Chairman

Vadodara
May 14, 2018



Annexure B

Report on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Information required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts), Rules, 2014 pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo:

a Conservation of Energy

The Company has considered sustainability as one of the strategic priority across all process. We have been consciously making efforts year on year towards improving the energy performance. Energy efficient improvement techniques are implemented across all the plants and offices.

i	Steps taken or impact on conservation of energy	
	The Company has installed a number of devices in its plants for conservation/reducing the energy requirements. In this year, we were able to use more than 50% of our energy requirement from renewable sources.	
	Monitoring of energy parameters viz., maximum demand, power factor, load factor, TOD tariff utilization on regular basis.	
	Use of higher cavitation moulds which can provide same output with lesser energy consumption.	
ii	Steps taken for utilizing alternate sources of energy	utilization rate, reduction in cycle time, enhanced production and better efficient usage of energy.
	Company is using renewable power from a biomass power producer for part of its power requirements. Our goal is to constantly improve our processes in a way that results in reduction of power, water and other natural resources.	
iii	Capital investment on energy conservation equipments	
	The Company continuously endeavors to discover usages on new technologies and tools to save the energy and reduce consumption. The Company has installed such energy efficient machinery and devices to improve the power factor.	
iv		

b Technology Absorption

i	Efforts made towards technology absorption	
	Research and Development:	
	- The Company has developed several dies and moulds and has also developed several plastic components, which were earlier imported. The activities in development are carried out by technicians and the expenditure thereon, is debited to the respective heads. - Development of new design, processes and products from conceptualization to manufacture, for some customers. - Development of complex designs for components of medical devices. - Successful in conversion of products manufactured from virgin material to recycled and bioplastics material.	

Technology absorption, adaption and innovation:		- Such varied plastic components of international standard/quality, are import substitutes for diverse applications. - Enhanced global presence/visibility.
ii	Benefits derived like product improvement, cost reduction, product development or import substitution:	
	- The Company has manufactured varied plastic components of international standard/quality, which are import substitutes for diverse applications.Kaizen and Lean Sigma forms a significant part of our strategy, resulting in improvement across business landscape. - Use of Robotics in the production process, yielding into reduced cycle time, improvement in productivity and process efficiencies.	
iii	Information regarding technology imported, during last 3 years:	Nil
iv	Expenditure incurred on Research & Development:	₹ in lakhs
	Particulars	FY 2017-18
	Capital	Nil
	Recurring	185.88
	Total	185.88

c Foreign Exchange Earnings and Outgo

The Company continues to keep its focus on widening of new geographical area to augment its exports. We are participating in major overseas exhibitions, which are very helpful in improving visibility of the services/products, we offer, in the International Market.

The details of foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows are as under:

Foreign Exchange		FY 2017-18
Earnings		21,815.40
Expenditure		11,450.70

Annual Report on CSR Activities

A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:

CSR is not a mere philanthropic activity but also comprises of activities that require a company to integrate social, environmental and ethical concerns into the company's vision and mission through such activities. Shaily's vision is to create value for the nation, enhance quality of life across the entire socio-economic spectrum and build an inclusive India. We constantly strive to contribute in humble ways to the motto "May Everyone be Happy" and take up the cause of welfare amongst communities in which we operate.

The Company's CSR Policy provides for carrying out CSR activities in the area of education, healthcare, empowerment of women, development of under privileged children, through various "Not for profit" organizations (NGO's) as well as through direct channel.

Identification of deployment of fund for the CSR Projects and program is decided based on:

- The level of support & involvement of the local villagers and their representatives and the Company workers.
- In consultation with NGO/Trust
- Based on independent survey.

The CSR policy of the Company can be viewed on our website at <http://www.shaily.com/investors-details.aspx?id=10>

Composition of CSR Committee

Name of Director	Acting in committee as	Category
Mr. P R Singhvi	Chairman	Independent Director
Mr. Laxman Sanghvi	Member	Executive Director
Ms. Tilottama Sanghvi	Member	Whole Time Director

Average Net Profit of the Company for the last three financial years

The average net profit of the Company for the last three financial years is ₹ 19,78,34,436/-

Prescribed CSR Expenditure

(two percent of the amount as in item 3 above)
₹ 39,56,689/-

Details of CSR spent during the financial year

Total amount to be spent for the financial year:
₹ 39,56,689/-

Amount unspent, if any:
₹ 34,26,586/-

Summary of Projects during the Financial Year:

Sr. No.	CSR Project	Sector in which the project is covered	Location of project/ program	Amount outlay (Budget)	Amount spent on projects/ programs	Cumulative expenditure upto the reporting period	Direct or through Implementing Agency (IA)
1	Donation to the Office of District Development Officer, Savli [Convenor Model District Program] for promoting education & development of Vadodara Museum	Protection of National Heritage, art & culture	Vadodara	Single Program	10,000	10,000	Direct
2	Donation of “Paver Block” at Rania Gram Panchayat.	Rural Development	Rania (Local)	Single Program	220,103	220,103	Direct
3	Donation to “Disha Charitable Trust” for promoting education, including special education and employment enhancing vocation skills to children with multiple disabilities	Special Education	Vadodara	Single Program	100,000	100,000	Direct
4	Donation to “Oasis-A Selfless International Society” for upliftment of needy children	Education	Vadodara	Single Program	200,000	200,000	Direct
Total						530,103	

As a good corporate practice, we have provided below activity without taking into consideration such amount in the amount spent for CSR

Sr. No.	CSR Project	Sector in which the project is covered	Location of project/ program	Amount outlay (Budget)	Amount spent on projects/ programs	Cumulative expenditure upto the reporting period	Amount spent: Direct or through Implementing Agency (IA)
1	Undertook a “Women Development - Personal Hygiene” project at Shaily's premises for women's welfare. Women from nearby villages attended the programme.	Sanitation/ Healthcare	Rania	Single Program	-	-	Direct

Amount unspent

₹ 34.26 lakhs. Explanation:

- i.

It was planned to provide financial support for building auditorium for school children of Bhadarva school, Village Bhadarva, Savli. However, it could not be arranged as permission from the school is awaited.
- ii.

It was planned to provide medical support to nearby village community through “Satyam Hospital”, Vadodara by arranging “Free Medical Check-up camp”. However, the camp could not be arranged due to unavoidable circumstances.
- iii.

It was planned to provide “Mini dustbin tractors” and Hydraulic trolley to Bhadarwa Gram Panchayat, Tal., Savli, under “Swachh Bharat Mission”. However, the vehicles could not be arranged as the same was on hold, i.e.pending final decision by the Gram Panchayat.

As a result, the CSR budget could not be utilised in full in the FY 2017-18. The Company has identified various projects and budget has been earmarked for respective Projects and the allocated amount will be spent on those Projects to ensure effective implementation and sustenance thereof.

Our CSR Responsibility

The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy , is in compliance with CSR objectives and Policy of the Company.

P R Singhvi

Chairman - CSR Committee

Amit Sanghvi

Managing Director

Vadodara
May 14,2018

Form MGT-9 Extract of Annual Return

As on financial year ended on 31st March, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]



Registration and other Details

i)	CIN	L51900GJ1980PLC065554
ii)	Registration Date	18/04/1980
iii)	Name of the Company	Shaily Engineering Plastics Limited
iv)	Category/Sub-Category of the Company	Public Company/Limited by Shares
v)	Address of Registered Office and Contact Details	Survey No. 363/364/366, Rania, Vadodara, Gujarat 391780, India T +91-2667-244307 F +91-2667-244372 www.shaily.com
vi)	Whether Listed Company	Yes
vii)	Name, address and contact details of Registrar & Share Transfer agent, if any	Bigshare Services Pvt. Ltd. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400 059 T +91-2262-638200 www.bigshareonline.com

Principal Business Activity of the Company

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and description of main product/services	NIC Code of the Product/Service	% to total turnover of the Company
Manufacture of Plastic products	22209	100%

Particulars of Holding, Subsidiary and Associate Companies

The Company has no holding, subsidiary or associate company.

Shareholding Pattern (Equity Share Capital break up as percentage of total equity)

Category – wise shareholding

Category of Shareholders	No. of shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual HUF	3274640	0	3274640	39.37%	3121148	1800	3122948	37.54%	-1.82%
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.	0	0	0	0	0	0	0	0	0
d) Bodies Corp	0	0	0	0	0	0	0	0	0
e) Banks/Fl	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub Total (A)(1):	3274640	0	3274640		3121148	1800	3122948	37.54%	-1.82%
(2) Foreign									
a) NRIs - Individuals	1225203	0	1225203	14.73%	1125203	0	1125203	13.53%	-1.20%
b) Others - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/Fl	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub Total (A)(2):	1225203	0	1225203	14.73%	1125203	0	1125203	13.53%	-1.20%
Total Shareholding of Promoter (A) = (A)(1) +(A)(2)	4499843	0	4499843	54.09%	4246351	1800	4248151	51.07%	-3.03%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	674596	0	674596	8.11%	922593	0	922593	11.09%	2.98%

Category of Shareholders	No. of shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
b) Banks/Fl	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs/FPI	0	0	0	0	1806	0	1806	0.000217	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Alternate Investment Fund	35374	0	35374	0.43%	26000	0	26000	0.31%	-0.11%
Sub Total (B)(1):	709970	0	709970	8.53%	950399	0	950399	11.43%	2.87%
2. Non-Institutions									
a) Bodies corp.									
i) Indian	1249337	0	1249337	15.02%	687820	0	687820	8.27%	-6.75%
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals/HUF									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lac	621730	25400	647130	7.78%	590022	18900	608922	7.32%	-0.46%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	1156748	0	1156748	13.91%	1625614	0	1625614	19.54%	5.64%
c) Others (specify)									
c-i) Clearing Member	15106	0	15106	0.18%	152164	0	152164	1.83%	1.65%

Category of Shareholders	No. of shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
c-ii) Non-Resident Indian (NRI)	30436	0	30436	0.37%	35835	0	35835	0.43%	0.06%
c-iii) Non-Resident Indian - Repat	607	0	607	0.01%	485	0	485	0.01%	0.00%
c-iv) Non-Resident Indian - Non-Repatriate	8453	0	8453	0.10%	7718	0	7718	0.09%	-0.01%
c-iv) NBFC	800	0	800	0.01%	1322	0	1322	0.02%	0.01%
Sub total (B)(2):	3083217	25400	3108617	37.37%	3100980	18900	3119880	37.51%	0.14%
Total Public Shareholding (B) = (B)(1) +(B)(2)	3793187	25400	3818587	45.91%	4051379	18900	4070279	48.93%	0.03026
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0		0	0
Grand Total (A + B + C)	8293030	25400	8318430	100.00%	8297730	20700	8318430	100.00%	0.00%

Shareholding of Promoters

Details of shareholding of promoters

Sr. No.	Shareholder's Name	Shareholding at beginning of the year (01.04.2017)			Shareholding at the end of the year (31.03.2018)			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% shares pledged/encumbered to total shares	
1	Mahendra Sanghvi	902535	10.85%	0	811335	9.75%	0	-1.10%
2	Laxman Sanghvi	526424	6.33%	0	476424	5.73%	0	-0.60%
3	Tilottama Sanghvi	914150	10.99%	0	914150	10.99%	0	0.00%

Details of shareholding of persons and entities of promoter group

Sr. No.	Shareholder's Name	Shareholding at beginning of the year (01.04.2017)			Shareholding at the end of the year (31.03.2018)			
		No. of shares	% of total shares of the Company	% shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% shares pledged/encumbered to total shares	% change in shareholding during the year
1	Sanghvi Amit Mahendra	60000	0.72%	0	60000	0.72%	0	-
2	Jayesh Mohanlal Shah	759838	9.13%	0	759838	9.13%	0	-
3	Lax Nagda	408702	4.91%	0	408702	4.91%	0	-
4	Bharat Bhogilal Sanghvi	358084	4.30%	0	308084	3.70%	0	-0.60%
5	Shaily Mahendra Sanghvi	140000	1.68%	0	90000	1.08%	0	-0.60%
6	Vanita L Nagda	173565	2.09%	0	173565	2.09%	0	-
7	Rajen Bharat Sanghvi	75426	0.91%	0	75426	0.91%	0	-
8	Kalpana Sanghvi	75300	0.91%	0	75300	0.91%	0	-
9	Rashmi Sanghvi	69426	0.83%	0	69426	0.83%	0	-
10	Purnima Mohanlal Shah	13500	0.16%	0	10008	0.12%	0	-0.04%
11	Ramesh H Shah	13500	0.16%	0	13500	0.16%	0	-
12	Gunvantiben Bhogilal Sanghvi	7000	0.08%	0	0	0.00%	0	-0.08%
13	Sonal Jayesh Shah	2393	0.03%	0	2393	0.03%	0	-

Change in Promoter's holding

	Shareholding at beginning of the year (01.04.2017)		Shareholding at the end of the year (31.03.2018)	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning/end of the year	4499843	54.09%	4248151	51.07%

Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Sr. No.	Name	Shareholding at the beginning (01.04.2017)		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	DSP Blackrock Emerging Stars Fund	674,596	8.11%	During the financial year	(124,759)	Purchase/Sale	549,837	6.61%
2	Bengal Finance & Investment Ltd	600,000	7.21%	During the financial year	(600,000)	Sale	0	0.00%
3	Mukul Mahavir Prasad Agrawal	484030	5.82%	During the financial year	(84,030)	Sale	400,000	4.81%
4	Ashish Kacholia	0	0.00%	During the financial year	460,387	Purchase	460,387	5.53%
5	Suresh Kumar Agrawal	400,000	4.81%	-	-	-	400,000	4.81%
6	Suryavanshi Commotrade Pvt. Ltd.	400000	4.81%	-	-	-	400,000	4.81%
7	HDFC Small Cap Fund	0	0.00%	During the financial year	372,756	Purchase	372,756	4.48%
8	Mukul Mahavir Agrawal	150000	1.80%	During the financial year	(50,000)	Sale	100,000	1.20%
9	Bang Securities Pvt. Ltd	103051	1.24%	During the financial year	(6,513)	Sale	96,538	1.16%
10	Canara HSBC Oriental Bank of Commerce Life Insurance Company Ltd.	0	0.00%	During the financial year	59,664	Purchase	59,664	0.72%
11	Motilal Oswal Securities Ltd - Collateral Account	450	0.01%	During the financial year	62,878	Purchase/Sale	63,328	0.76%
12	Alpana Shah Parida	54797	0.66%	During the financial year	(20,991)	Purchase/Sale	33,806	0.41%
13	SMC Global Securities Ltd	30040	0.36%	During the financial year	(29,519)	Purchase/Sale	521	0.01%
14	Sankarnarayan Sangameswaran	22733	0.27%	During the financial year	15,558	Purchase	38,291	0.46%

Note: The date wise increase/decrease in shareholding of the top ten shareholders is available on the website of the Company www.shaily.com at weblink <http://www.shaily.com/investors-details.aspx?id=10> .

Shareholding of Directors and Key Managerial Personnel

Sr. No	Name	Designation	Shareholding at the beginning of the year (01.04.2017)		Change during the year		Shareholding at the end of the year (31.03.2018)	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mahendra Sanghvi	Executive Chairman	902535	10.85%	-91,200	-1.10%	811335	9.75%
2	Laxman Sanghvi	Executive Director	526424	6.33%	-50000	-0.60%	476424	5.73%
3	Tilottama Sanghvi	Whole Time Director	914150	10.99%	-	-	914150	10.99%
4	Amit Sanghvi	Managing Director	60000	0.72%	-	-	60000	0.72%
5	Sarup Chowdhary	Independent Director	-	0.00%	-	-	0	-
6	Pushp Raj Singhvi	Independent Director	-	0.00%	-	-	0	-
7	Milin Mehta	Independent Director	-	0.00%	-	-	0	-
8	Dilip Shah	Independent Director	-	0.00%	-	-	0	-
9	Sanjay Shah	CFO & Vice President - Finance	22500	0.27%	-	-	22500	0.27%
10	Preeti Sheth	Asst. Company Secretary	1	0.00%	-	0.00%	1	0.00%

Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment. ₹ in lakhs

	Secured Loan excluding deposits	Unsecured Loan	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6630.29	0.00	18.85	6649.14
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	10.46	0.00	0.00	10.46
Total (i+ii+iii)	6640.75	0.00	18.85	6659.60
Change in indebteness during the financial year				
Addition	5706.51	600.00	0.00	6306.51
Reduction	1928.65	300.00	0.00	2228.65
Net Change	3777.85	300.00	0.00	4077.85
Indebtedness at the end of the financial year				
i) Principal Amount	10394.07	300.00	18.85	10712.92
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	24.53	0.00	0.00	24.53
Total (i+ii+iii)	10418.60	300.00	18.85	10737.45

Remuneration of Directors and Key Managerial Personnel

Remuneration to Managing Director, Whole Time Directors and/or Manager							₹ in lakhs
Sr. No	Particulars of Remuneration		Name of MD/WTD/Manager				Total Amount
			Mahendra Sanghvi	Amit Sanghvi	Laxman Sanghvi	Tilottama Sanghvi	
1	Gross Salary						
	(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	115.10	115.10	59.35	27.65	317.21
	(b)	Value of Perquisites u/s 17(2) of Income Tax Act, 1961	3.79	3.79	2.17	1.25	11.00
	(c)	Profits in lieu of salary under section 17(3) of Income Tax Act, 1961					
2	Stock Option		-	-	-	-	-
3	Sweat Equity		-	-	-	-	-
4	Commission						
	- as % of profit		-	-	-	-	-
5	Others		-	-	-	-	-
Total			118.90	118.90	61.52	28.89	328.21

Ceiling as per the Act - Rs. 238.92

Note: Approval of shareholders has been obtained for payment of higher remuneration to Mr. Amit Sanghvi, Mr. Mahendra Sanghvi and Mr. Laxman Sanghvi.

Remuneration to other Directors						₹ in lakhs
Sr. No	Particulars of Remuneration	Name of Director				Total Amount
		Sarup Chowdhary	Pushp Raj Singhvi	Milin Mehta	Dilip G Shah	
1	Independent Directors					
	Fees for attending meetings of Board/Committee	2.50	3.25	3.75	3.00	12.50
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	Total (1)	2.50	3.25	3.75	3.00	12.50
2	Other Non-Executive Directors (2)	-	-	-	-	-
	Total Remuneration = (1+2)	2.50	3.25	3.75	3.00	12.50

Note: Payment of sitting fees is not considered as a part of “remuneration” as per the Companies Act, 2013.

Remuneration to Key Managerial Personnel other than MD/Manager/WTD

₹ in lakhs

Sr. No	Particulars of Remuneration		Key Managerial Personnel As on 31.03.2018		Total Amount
			Sanjay Shah CFO & VP - Finance	Preeti Sheth Asst. Company Secretary	
1	Gross Salary				
	(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	28.47	3.03	31.50
	(b)	Value of Perquisites u/s 17(2) of Income Tax Act, 1961	-	-	-
	(c)	Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission				
		- as % of profit	-	-	-
5	Others		-	-	-
	Total		28.47	3.03	31.50

Note: The above stated figures for remuneration are extracted from Form 16 of the individual Managerial Personnel and Key Managerial Personnel for the FY 2017-18, whereas figures for the managerial remuneration in Corporate Governance Report are prepared on the basis of accrual accounting principle and hence not comparable.

Penalties/Punishment/Compounding of Offences:

Type	Section of Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority RD/NCLT/Court	Appeal made, if any (give details)
A. Company					
Penalty			None		
Punishment					
Compounding					
B. Directors					
Penalty			None		
Punishment					
Compounding					
C. Other Officers in default					
Penalty			None		
Punishment					
Compounding					

For and on behalf of the Board

Mahendra Sanghvi
Executive Chairman

Vadodara
May 14, 2018

Particulars of Employees

As per the provisions of Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to disclose following information in the Board's Report.

- Ratio of Remuneration of each director to the median remuneration of the employees of the Company for the financial year 2017-18

Name of Director	Designation	Ratio to Employees
Mahendra Sanghvi	Executive Chairman	65:08:1
Laxman Sanghvi	Executive Director	37:42:1
Tilottama Sanghvi	Whole Time Director	16:27:1
Amit Sanghvi	Managing Director	65:08:1

- Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, during the financial year 2017-18

Name	Designation	% Increase
Mahendra Sanghvi	Executive Chairman	43%
Laxman Sanghvi	Executive Director	23%
Tilottama Sanghvi	Whole Time Director	0
Amit Sanghvi	Managing Director	0
Sanjay Shah	CFO & Vice President - Finance	14%
Preeti Sheth	Asst. Company Secretary	16%

- Percentage increase in median remuneration of employees in the financial year 2017-18.

Number of permanent employees on the roll of the Company:

Staff	357
Permanent Workers	173

The median remuneration of employees was increased by 15.66% during the Financial Year 2017-18.

4 Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Non - Managerial Personnel	18.75%
Managerial Personnel (excluding Directors)	12.22%

There are no exceptional circumstances for increase in the managerial remuneration.

5 Affirmation

We affirm that the remuneration paid to the Managerial and Non-Managerial personnel is as per the remuneration policy of the Company.

For and on behalf of the Board

Mahendra Sanghvi
Executive Chairman

Vadodara
May 14, 2018

Annexure F

Secretarial Audit Report

Form MR-3

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To, The Members, Shaily Engineering Plastics Limited Survey No. 363/364/366, Rania, Vadodara Gujarat 391780, India	iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act): a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;	vi. Other sector specific laws as follows: a. Foreign Trade Policy; b. Foreign Trade (Development & Regulation) Act, 1992 and Rules made thereunder.	c. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded. d. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all the applicable laws, rules, regulations and guidelines. e. During the audit period, there were no specific instances/actions in pursuance of the above referred laws, rules, regulations, guidelines,etc., having a major bearing on Company’s affairs.
We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shaily Engineering Plastics Limited (hereinafter referred to as ‘the company’). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.		We have also examined compliance with the applicable clauses of the followings: i. The Company has generally complied with the Secretarial Standards issued by the Institute of Company Secretaries of India; and ii. The Listing Agreements entered into by the Company with BSE Ltd.	
Based on our verification of the Company’s Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2018, complied with the statutory provisions listed hereunder and also that the company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:	We report that, there were no actions / events in pursuance of the following regulations requiring compliance thereof by the company during the period of this report:	During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.However, the Company has spent ₹ 530,103/- out of ₹ 39,56,689/- (as calculated in accordance with the Companies Act, 2013) towards Corporate Social Responsibility during the financial year 2017-18.	Suresh Kumar Kabra Partner Samdani Shah & Kabra Company Secretaries ACS No. 9711 CP No. 9927
We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2018, according to the provisions of:	i. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; ii. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; iv. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; v. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;	We further report that; a. The Board of directors of the company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review, if any, were carried out in compliance with the provisions of the Act. b. Adequate notice is given to all the Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the Agenda items before the meeting and for meaningful participation at the meeting.	Vadodara May 14, 2018 This Report is to be read with our letter of even date annexed as Appendix A and forms part of this report.

Appendix A

To,
The Members
Shaily Engineering Plastics Limited
Survey No. 363/364/366, Rania, Vadodara
Gujarat 391780, India

Our Secretarial Audit report of even date is to be read along with this letter, that:

- 1** Maintenance of Secretarial records and compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the company. Our examination was limited to the verification and audit of procedures and records on test basis. Our responsibility is to express an opinion on these secretarial records and compliances based on such verification and audit.
- 2** We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records and we believe that the processes and practices we followed provide a reasonable basis for our opinion.
- 3** Wherever required, we have obtained the management representation about the Compliance of laws, rules and regulations and happening of events etc.
- 4** The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Suresh Kumar Kabra
Partner
Samdani Shah & Kabra
Company Secretaries
ACS No. 9711
CP No. 9927

Vadodara
May 14, 2018



Report on Corporate Governance

Company’s philosophy

Corporate governance is an ethically driven business process that is committed to values and conduct aimed at enhancing an organization’s wealth generating capacity. This is ensured by taking ethical business decisions and conducting the business with a firm commitment to values, while meeting stakeholders’ expectations. Good governance practices stem from the culture and mindset of the organization and at Shaily, we are committed to meet the aspirations of all our stakeholders as we believe in adopting best corporate practices for ethical conduct of business. It is well recognized that an effective Board of Directors is a pre-requisite for strong and effective corporate governance. Our Board and Committees thereof are formed as per the prevailing regulatory requirements, which oversees how the Management serves and protects the long-term interests of all our stakeholders.

Corporate Governance is more than a set of processes and compliances at Shaily. It underlines the role that we see for ourselves for today, tomorrow and beyond. The Company has laid out strict guiding principles and communicated through its code of conduct, which is subject to regular audits to ensure controls and compliances are maintained at a high standard. Shaily’s philosophy is thus concerned with the ethics, values and morals of the Company and its directors, who act in the best interests of the Company and remain accountable to the stakeholders at large.

Board of Directors

The Board of Directors, closely monitors the performance of the Company and Management, approves the plans, reviews the strategy and strives to achieve organizational growth. The Board ensures statutory and ethical conduct with high quality financial reporting. It holds itself accountable to the shareholders as well as other stakeholders for the long-term well-being of the Company.

a Composition of Board

- The Company’s Board comprise of eight Directors, four of them are Executive Directors and four are Independent non-executive Directors. The Directors are professionals, having expertise in their respective functional areas and bring a wide range of skills and expertise to the Board.
- The Chairman of the Board is an Executive Director. The management of the Company is entrusted to the Managing Director, Mr. Amit Sanghvi, who is assisted by a Management Core Team and Senior Executives having rich experience and expertise in their respective fields.
- As on date of this report, the Board meets the requirement of having minimum one-woman director and not less than 50% of the Board strength comprise of non-executive directors being Independent Directors.

- Pursuant to the provisions of Section 165(1) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Director hold directorships in more than 20 companies (public or private), 10 public companies, membership of Board & Committees [Audit & Stakeholder Relationship Committee(s)] in excess of 10 and Chairmanship of Board Committee in excess of 5. None of the Directors serve as Independent Director in more than 7 listed companies. None of the Director who serves as a Whole Time Director in any listed entity serve as an Independent Director in more than three listed Companies.

b Number of Board meetings held and the dates of the Board Meeting

Four (4) Board Meetings were held during the year ended 31st March 2018 as under:

Sr. No.	Date	Time (IST)
1	20 May 2017	02:30 p.m.
2	09 September 2017	11:30 a.m.
3	25 November 2017	02:30 p.m.
4	12 February 2018	02:00 p.m.

Requisite quorum was present in all the meetings. The time gap between two meetings did not exceed one hundred and twenty days, as per the prevailing regulatory requirements.

c Details of composition and category of Directors, attendance at the Board Meetings, Annual General Meeting and shareholding of each director

Name of Director	Category	No. of Directorships [Note a]	No. of membership in committees (Chairmanship) [Note b]	Attendance in Board Meetings held in FY 2017-18	Attendance at last AGM	No. of Equity Shares held in the Company as on March 31, 2018
As on March 31, 2018						
Mr. Mahendra Sanghvi Executive Chairman	Promoter Executive	3	4(1)	4/4	Yes	811,335
Mr. Laxman Sanghvi Executive Director	Promoter Executive	1	0	2/4	No	476,424
Ms. Tilottama Sanghvi Whole-Time Director	Promoter Executive	1	0	3/4	Yes	914,150
Mr. Amit Sanghvi Managing Director	Promoter Group 1 - Executive		1	4/4	Yes	60,000
Mr. Sarup Chowdhary	NED (Independent)	1	1	3/4	Yes	Nil
Mr. Pushp Raj Singhvi	NED (Independent)	6	4(1)	3/4	No	Nil
Mr. Milin Mehta	NED (Independent)	4	6(4)	4/4	Yes	Nil
Mr. Dilip G. Shah	NED (Independent)	3	4(1)	4/4	Yes	Nil
Mr. Dilip G. Shah	NED (Independent)	3	4(1)	4/4	Yes	Nil

Notes:

- a. Includes directorship in public companies and private companies, hich are subsidiaries of public companies.
- b. Membership/Chairmanship are considered only for Audit Committee and Stakeholders Relationship Committee.
- c. Bracket indicates Chairmanship.
- d. NED refers to Non-Executive Director.
- e. The Company has not issued any convertible instruments.

d Relationship between director inter-se

Mr. Mahendra Sanghvi, Executive Chairman is brother of Mr. Laxman Sanghvi, Executive Director, spouse of Ms. Tilottama Sanghvi, Whole Time Director and father of Mr. Amit Sanghvi, Managing Director. None of the other Directors are related to each other.

e Familiarization programme for Independent Directors

Guided by the principles of Corporate Governance of the prevailing regulatory regime, the Company conducts familiarization programme for Independent Directors from time to time in accordance with business & regulatory requirements. Details for the same have been disclosed our website at <http://www.shaily.com/investors-details.aspx?id=10>

f Board Meeting Procedures

Annual Calendar of Board Meetings of the year is usually considered in the Board Meeting of the last quarter of the previous financial year. The notice convening Board Meeting is sent to each of the Directors along with relevant papers well in advance of the meeting date. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. All significant developments and material events are brought to the notice of the Board; either as a part of the agenda papers in advance of the meeting or by way of presentations or circulation of relevant documents during the meeting. The Managing Director and the Chief Financial Officer briefs the Board on the financial and business performance of the Company during the previous quarter and trend analysis as compared to the budgets, operational performance and market scenario.

The Company receives reports from various departmental heads, certifying the compliance of applicable statutory laws, rules and regulations every quarter. The Managing Director, on basis of the reports certifies the Board, the compliance with various applicable statutory laws, rules and regulations.

g Code of Conduct

The Company has laid down a Code of Conduct, for all its Board Members and Senior Management Personnel for avoidance of conflicts of interest. The declarations with regard to its compliance have been received for the financial year 2017-18 from all the Board Members and Senior Management Personnel. There were no material financial and commercial transactions, in which Board Members or Senior Management Personnel had personal interest, which could lead to potential conflict of interest with the Company during the year. The Code of Conduct can be viewed at the weblink; <http://www.shaily.com/investors-details.aspx?id=10>

h Committee meetings

The Company's guidelines relating to Board Meetings are applicable to Committee meetings. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its function. Minutes of proceedings of Committee meetings are circulated to the Committee members and placed before the Board meetings for notings.

Audit Committee

The Company has an Audit Committee at the Board level, with the powers and roles in accordance with the prevailing regulatory requirements. The Committee acts as a link amongst the Management, Auditors and the Board of Directors.

a Composition of Audit Committee

The Audit Committee comprises of four (4) Independent Directors viz., Mr. Milin Mehta, Mr. Sarup Chowdhary, Mr. P.R. Singhvi and Mr. Dilip G. Shah

Mr. Milin Mehta is the Chairman of the Audit Committee.

b Terms of Reference

The terms of reference of the Audit Committee are comprehensive and covers the matters specified for Audit Committee under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

The Committee provides the Board with additional assurance as to the adequacy of Company’s internal control systems and financial disclosures. The committee has reviewed the internal audit reports, quarterly, half-yearly and annual financial results before their submission and adoption by the board, internal control systems, Related Party Transactions and all other matters covered under SEBI (LODR) Regulations and provisions of the Companies Act, 2013 read with rules made thereunder as and when applicable. In conducting such reviews, the committee found no material discrepancy.

c Meetings of Audit Committee and Attendance of Members

Name	Number of Meetings held during FY 2017-18	
	Held	Attended
Mr. Milin Mehta (Chairman)	4	4
Mr. Sarup Chowdhary	4	3
Mr. Pushp Raj Singhvi	4	3
Mr. Dilip G. Shah	4	4

There were Four (4) meetings of Audit Committee held during FY 2017-18 on 20th May, 2017, 09th September, 2017, 25th November 2017 and 12th February, 2017. Mr. Milin Mehta, Chairman of the Audit Committee was present at the last Annual General Meeting held on 09th September, 2017.

The Statutory Auditors, Internal Auditors, Secretarial Auditors, Chief Financial Officer, Executive Directors and other senior professionals were invited to the meetings of the Audit Committee. The Company Secretary of the Company acts as the Secretary to the Committee.

Nomination & Remuneration Committee (NRC)

a Composition of Nomination & Remuneration Committee

The Nomination & Remuneration Committee of the Company is in line with the provisions of Regulation 19 of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 and section 178 of the Companies Act, 2013

Name of Director	Acting in committee as	Category
Mr. Sarup Chowdhary	Chairman	Independent Director
Mr. P R Singhvi	Member	Independent Director
Mr. Milin Mehta	Member	Independent Director
Mr. Mahendra Sanghvi	Member	Executive Chairman

b Terms of Reference:

The terms of reference of the NRC is to guide the Board in relation to the appointment and removal, identifying persons and to recommend/review remuneration of all the Directors, Key Managerial Personnel (KMP) and senior management personnel

c Meetings of Nomination & Remuneration Committee and Attendance of Members

There were two (2) meetings of the Nomination & Remuneration held on 20th May, 2017 & 25th November, 2017.

Attendance of members:

Name	Number of Meetings held during FY 2017-18	
	Held	Attended
Mr. Sarup Chowdhary (Chairman)	2	1
Mr. Pushp Raj Singhvi	2	2
Mr. Milin Mehta	2	2
Mr. Mahendra Sanghvi	2	2

Mr. Sarup Chowdhary, Chairman of NRC, attended the 37th Annual General Meeting held on 09th September, 2017.

The Company Secretary of the Company acts as the Secretary to the Committee.

d **Performance Evaluation**

Guided by the prevailing regulatory environment of the SEBI Listing Regulations, 2015 and the Companies Act, 2013, the framework used to evaluate the performance of Independent and the Executive Directors is based on the expectation that they perform their duties in a manner which creates and continues to build sustainable value for the shareholders and in accordance with the duties and obligations abided on them.

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment.

The evaluation also assessed the quality, quantity and timeliness of the flow of information between the management and the Board that is necessary for it to effectively and reasonably perform its duties.

e **Policy on Nomination & Remuneration**

Nomination & Remuneration Policy is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve desired results. Shaily’s business model promotes customer centricity and requires employee mobility to address project needs. The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board and separate its functions of governance and management. The policy adheres to the prevailing regulatory requirements of the SEBI Listing Regulations, 2015 and the Companies Act, 2013.

The Company pays remuneration by way of salary, benefits, perquisites and allowances to the Executive Directors including the Managing Director of the Company, as approved by the shareholders and by the Central Government, when so required.

The non-executive directors are independent directors and they are paid sitting fees for attending the meetings of Board and of the Committees.

There has been no change in the Nomination & Remuneration Policy of the Company. It can be viewed at our website at <http://www.shaily.com/investors-details.aspx?id=10>

Remuneration of Directors

a **Executive Directors**

The details of all elements of remuneration package i.e. salary, benefits, bonus, pension, etc., paid to the Executive Directors for the financial year 2017-18 are given below:

₹ in lakhs					
Name & Designation of Executive Directors	Salary	Allowances & Perquisites	Company's contribution to funds	Others	Total
Mr. Mahendra Sanghvi Executive Chairman	67.94	45.66	1.50	0	115.10
Mr. Laxman Sanghvi Executive Director	35.46	24.02	7.80	0	67.28
Ms. Tilottama Sanghvi Whole - Time Director	16.98	11.71	3.74	0	32.43
Mr. Amit Sanghvi Managing Director	67.94	45.66	14.95	0	128.55
Total	188.32	127.06	27.98	0	343.35

Sitting fees are not paid to Executive Directors.

- a. The Executive Directors and the Company are entitled to terminate the service contracts by giving not less than three months’ notice in writing to the other party. There is no provision for payment of severance fees.
- b. The Company does not have any stock option scheme.
- c. The Executive Directors are not paid any performance linked incentives. The remuneration is paid, as approved by the members and the Central Government, where required.
- d. Company’s contribution to funds includes contribution to superannuation fund.

b **Non - Executive Directors [NED]**

The Non-Executive Directors are paid ₹ 50,000/- as sitting fees for attending Board Meetings and ₹ 25,000/- for other Committee Meetings.

The Non-Executive Directors are also paid re-imbursement of out of pocket expenses incurred for attending meetings of the Board of Directors, Committee and Independent Directors, thereof. No commission/share of profit is paid to the Non-Executive Directors.

None of the Independent Non-Executive directors have any pecuniary relationship or transactions with the Company and/or its associates except Mr. Milin Mehta, where the Company has paid a total of ₹ 6.36 lakhs to M/s K.C. Mehta & Co., Chartered Accountants, as fees for professional services rendered by the firm to the Company. Mr. Milin Mehta is a partner in the said firm. The Board does not consider the firm’s association with the Company to be of a material nature so as to affect independence of judgment of Mr. Milin Mehta, as an Independent Director of the Company.

Payment to NED during FY 2017-18:

Name of Director	Sitting fees (₹)
Mr. Sarup Chowdhary	250,000
Mr. P R Singhvi	325,000
Mr. Milin Mehta	375,000
Mr. D G Shah	300,000
Total	1,250,000

Stakeholders Relationship Committee

a Composition of Stakeholders Relationship Committee (SRC)

The Stakeholders Relationship Committee of the Company is in line with the provisions of Regulation 20 of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 and section 178(5) of the Companies Act, 2013, constituted to look into the mechanism of redressal of grievances of shareholders.

Constitution of SRC:

Name of Director	Acting in committee as	Category
Mr.Milin Mehta	Chairman	Independent Director
Mr. P R Singhvi	Member	Independent Director
Mr. Amit Sanghvi	Member	Managing Director

The Company Secretary of the Company acts as the Secretary to the Committee.

b Meetings of SRC & Attendance

There was one meeting of the Stakeholders Relationship Committee held during FY 2017-18 on 20th May, 2017. All the members attended the meeting.

Mr. Milin Mehta, Chairman of SRC, attended the Annual General Meeting of the Company held on 09th September, 2017.

c Compliance Officer

Mr. Sanjay Shah, CFO & Vice President – Finance (*now “Chief Strategy Officer” w.e.f. 01.04.2018*), is the Compliance Officer, together with Ms. Preeti Sheth, Asst. Company Secretary, who looks after the compliance of requirements of Securities & Corporate Laws.

d Investor grievance redressal

The Company received NIL complaints from the shareholders of the Company, during the financial year 2017-18.

Corporate Social Responsibility Committee (CSR Committee)

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of corporate social responsibility policy, recommend amount of expenditure to be incurred on CSR activities, oversee the implementation of CSR projects/programs undertaken by the Company, suggest remedial measures, where required, and monitor the CSR Policy from time to time.

a Composition of Corporate Social Responsibility Committee

The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013:

Name of Director	Acting in committee as	Category
Mr. P R Singhvi	Chairman	Independent Director
Mr. Laxman Sanghvi	Member	Executive Director
Ms. Tilottama Sanghvi	Member	Whole Time Director

The Company Secretary of the Company acts as the Secretary to the committee.

b Meetings of Corporate Social Responsibility Committee and Attendance

There was one meeting of the Corporate Social Responsibility Committee held during FY 2017-18 on 20th May, 2017. 2 out of 3 members were present in the meeting.

General Body Meetings

The details of last three Annual and/or Extraordinary General Meetings are as follows:

Financial Year	Location	Date	Time	No. of Special Resolutions passed
2014-15	Survey No. 363/364/366, Rania, Vadodara, Gujarat 391780	08th August, 2015	12:00 noon IST	2
2015-16	Patel Wadi, Opp. Jalaram Temple, Village Rania, Sankarda Bhadarwa Road, Tal. Savli, Dist. Vadodara, Gujarat 391 780	02nd August, 2016	11:30 a.m. IST	Nil
2016-17	Survey No. 363/364/366, Rania, Vadodara, Gujarat 391780	09th September, 2017	03:00 p.m. IST	3

- There was no business in FY 2017-18, which required to be transacted through postal ballot.
- There is no item on the agenda of the forthcoming 38th Annual General Meeting, which requires to be transacted through postal ballot.

Means of Communication

Financial Results	The financial results viz., quarterly/half yearly/annual are sent to the stock exchange and published in newspapers having nation wide coverage.
Newspapers wherein results are normally published	The Financial Results are normally published in: - The Business Standard (English) - Vadodara Samachar (Gujarati) - The Economic Times (English)
Website	The Company’s website www.shaily.com contains a separate dedicated section “Investors” where shareholders information is available. The full Annual Report is also available on the website in a user friendly and downloadable format. Apart from this, official news releases, results/investors presentation made to analysts/ investors, information of earnings call, transcript of earnings call, financial results, shareholding pattern, etc are also displayed on the Company’s website.
BSE Corporate Compliance & Listing Centre	BSE’s Listing Centre is a web based application designed for corporates. All periodical filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are also filed electronically on the Listing Centre,which disseminates it to the public at large.

General Shareholder Information

S.#	Particulars	Description
a)	Annual General Meeting Date, Time & Venue	Monday, August 13, 2018 at 4:00 p.m. IST. Survey No. 363/364/366, Rania, Vadodara, Gujarat 391780
b)	Financial Year	April 01, 2017 to March 31, 2018
c)	Dividend Payment date	On or before August, 18 2018.
d)	Date of Book closure	06/08/2018 to 13/08/2018
e)	Listing on Stock Exchange	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 Maharashtra, India. The requisite listing fees have been paid to BSE for FY 2017-18.
f)	Stock Code	BSE Equity: 501423
g)	Market price data -high, low during each month in FY 2017-18	Please see “Annexure A”
h)	Share performance of the Company in comparision to BSE Sensex	Please see “Annexure B”
e)	In case, securities are suspended from trading, the directors report shall explain the reasons thereof	The securities of the Company have not been suspended from trading anytime during FY 2017-18.
f)	Registrar & Share Transfer Agent	Bigshare Services Pvt. Ltd. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400 059 T +91-2262-638200 F +91-2262-638299 E investor@bigshareonline.com www.bigshareonline.com
g)	Share Transfer system	Share transfers will be registered and returned within a peroid of 15 days from the date of receipt, if documents are accurate in all respects. The Stakeholders Relationship Committee has delegated powers to Registrar and Share Transfer Agents to effect transfer/transmission, name deletion, renewal of shares, dematerialization, etc. Total number of shares transferred in physical form during the year were 1800 shares (previous year 3000 shares).
h)	Distribution of shareholding/Shareholding Pattern as on March 31, 2018	Please see “Annexure C”

i)	Dematerialization of shares and liquidity	Please see “Annexure D”
j)	Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity	Not applicable
k)	Commodity price risk or foreign exchange risk and hedging activities	Not applicable
l)	Plant Locations	Rania/Finishing/EOU/Healthcare Plant Survey No. 363/364/366, Rania, Vadodara, Gujarat 391780, India Halol Plant Plot No. 706/707/708, GIDC, Halol, Panchmahals, Gujarat 389350, India
l)	Address for Correspondence/ Investor Correspondence	Company Secretary/Compliance Officer Shaily Engineering Plastics Limited Survey No. 363/364/366, Rania, Vadodara, Gujarat 391780, India T +91-2667-244307 F +91-2667-244372 E investors@shaily.com www.shaily.com Bigshare Services Pvt. Ltd. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400 059 T +91-2262-638200 F +91-2262-638299 E investor@bigshareonline.com www.bigshareonline.com Shareholders are advised to address query/request in respect of shares to the RTA. In addition, they may also correspond at the above address. It is further advised to quote their folio number, DP & Client ID number, as the case may be, in all correspondence with it.

Other Disclosures

a Related Party Transactions

During the year under review, no materially significant Related Party Transactions, that may have a potential conflict with the interest of the Company at large, have been entered into.

The Board has approved a policy for related party transactions which can be viewed at our website www.shaily.com at the weblink <http://www.shaily.com/investors-details.aspx?id=10>.

b Compliance

The Company has complied with all the provisions of SEBI Listing Regulations, 2015 as well as regulations and guidelines of Securities and Exchange Board of India (SEBI). There have been no instances of non-compliance by the Company on any matters related to capital markets during the last three (3) years and, hence no penalty or strictures are imposed by SEBI or the Stock Exchanges or any Statutory Authority.

c Whistle Blower Policy

The Company has established vigil mechanism for directors, employees and other stakeholders to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company’s code of conduct or ethical policy.

The Whistle Blower Policy/Vigil Mechanism is placed on our website at <http://www.shaily.com/investors-details.aspx?id=10>

The Company has provided opportunities to encourage employees to become whistle blowers. It has also ensured a mechanism within the same framework to protect them from any kind of harm. It is hereby affirmed that no personnel has been denied access to the Audit Committee.

d Compliance with mandatory and non-mandatory requirements

The Company complies with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to Corporate Governance.

Non-mandatory requirements:

- a. Office for non-executive Chairman at Company’s expense: Not Applicable
- b. Half yearly declaration of financial performance to each household of shareholders: Not complied
- c. Modified opinion(s) in Audit Report: Complied as there is no modified opinion in Audit Report
- d. Separate posts of Chairman & CEO: Complied
- e. Reporting of Internal Auditors directly to Audit Committee: Complied

e Policy for determining ‘material subsidiaries’

The Company does not have any subsidiary company, therefore, requirement of devising such policy does not apply to the Company.

f Disclosure of commodity price risks and commodity hedging activities

The Company is not listed under the Commodity exchange and therefore trading in relation with commodities and commodity hedging is not applicable to the Company.

g Independent Directors’ Meeting

The Independent Directors met on 20th May, 2017, to carry out the evaluation for the financial year 2017-18 and inter alia, discussed the following:

- Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-executive Directors.
- Evaluation of quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively perform its duties.

h **Obligation of Company under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal), Act, 2013**

The Company has in place a Policy against Sexual Harassment at workplace in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding Sexual Harassment. All employees (permanent, contractual, temporary and trainees) are covered under this Policy.

No Complaint has been received by the Committee during the year.

i **Disclosure of compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

Regulation No	Particulars	Compliance Status (Yes or No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of the Company	NA
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other Corporate Governance Requirements	Yes
46(2) (b) to (i)	Website	Yes

Corporate benefits to Investors

Dividend declared

Financial Year	Dividend declaration	Dividend per share (₹)
2014-15	August 08, 2015	2
2015-16	August 02, 2016	4
2016-17	September 09, 2017	5

Share of paid up value of ₹10 per share.

Note: The Board has recommended a dividend of ₹7.5/- per equity share for the financial year 2017-18.

Liquidity

The Company's shares are amongst actively traded shares on the BSE. Relevant data for average daily turnover for the financial year 2017-18 is given below:

Year	High Price	No. of shares traded	% Delivery Qty
2016	704.00	1889128	100%
2017	1069.90	2622146	89.76%
2018	1520.00	1503335	85.70%

Information complied from the data available on BSE website.

Transfer of Unclaimed Dividend to IEPF:

Section 124 & 125 of the Companies Act, 2013 read with rules made thereunder, prescribe that dividends that remain unclaimed for a period of seven years, are statutorily required to be transferred to the Investor Education & Protection Fund (IEPF) administered by the Central Government, and thereafter cannot be claimed by the shareholders.

Calendar for transfer of unclaimed dividend to IEPF:

Financial Year	Type of Dividend	Date of Declaration	Due for transfer to IEPF
2014-15	Final Dividend	August 08, 2015	September, 2022
2015-16	Final Dividend	August 02, 2016	September, 2023
2016-17	Final Dividend	September 09, 2017	October, 2024

Members, who have not yet encashed their dividend warrant(s), are requested to make their claims without any delay to the Company’s Registrar & Share Transfer Agent – Bigshare Services Pvt. Ltd.

Annexure - A

Market price data of the Company’s shares traded on BSE Limited (BSE) during the financial year 2017-18

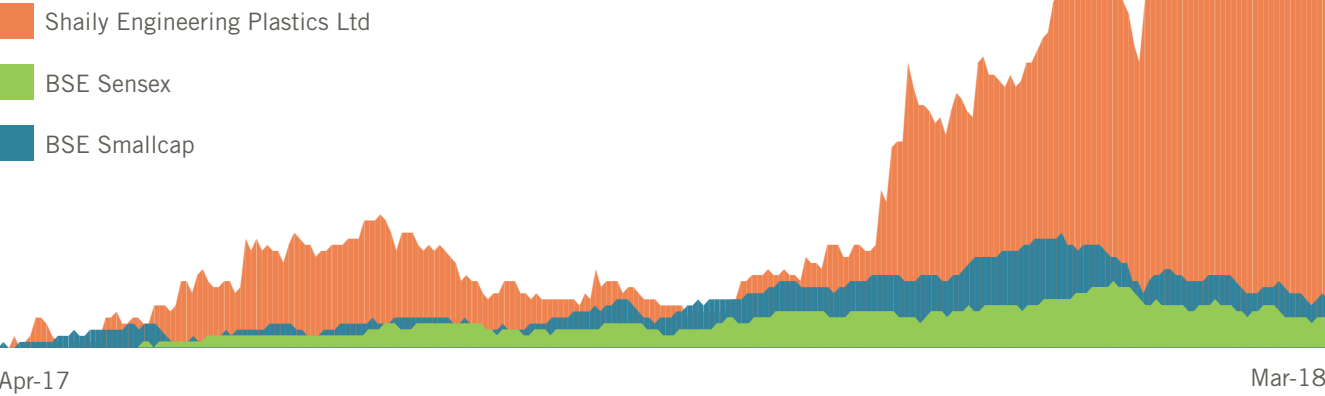
On March 31, 2018, the closing price of the shares of the Company on BSE was ₹1222.95.

Month - Year	Open Price (₹)	High Price (₹)	Low Price (₹)	Close Price (₹)
April - 2017	517.90	574.00	500.00	533.40
May - 2017	530.00	660.00	526.30	621.20
June - 2017	620.00	735.00	578.05	687.10
July - 2017	691.55	754.00	665.00	679.25
August - 2017	675.05	681.00	561.10	600.00
September - 2017	599.90	665.00	571.00	582.55
October - 2017	582.00	664.00	550.05	639.05
November - 2017	636.00	908.90	603.00	861.35
December - 2017	875.00	1069.90	850.00	959.85
January - 2018	958.00	1210.00	950.00	1099.90
February - 2018	1065.00	1425.00	937.00	1187.40
March - 2018	1201.00	1252.00	1100.00	1222.95

Annexure - B

Share performance of the Company in comparison to BSE Small Cap Index & BSE Sensex:

Chart Indexed to 100



Annexure - C

Distribution of shareholdings as on 31st March, 2018 is as under:

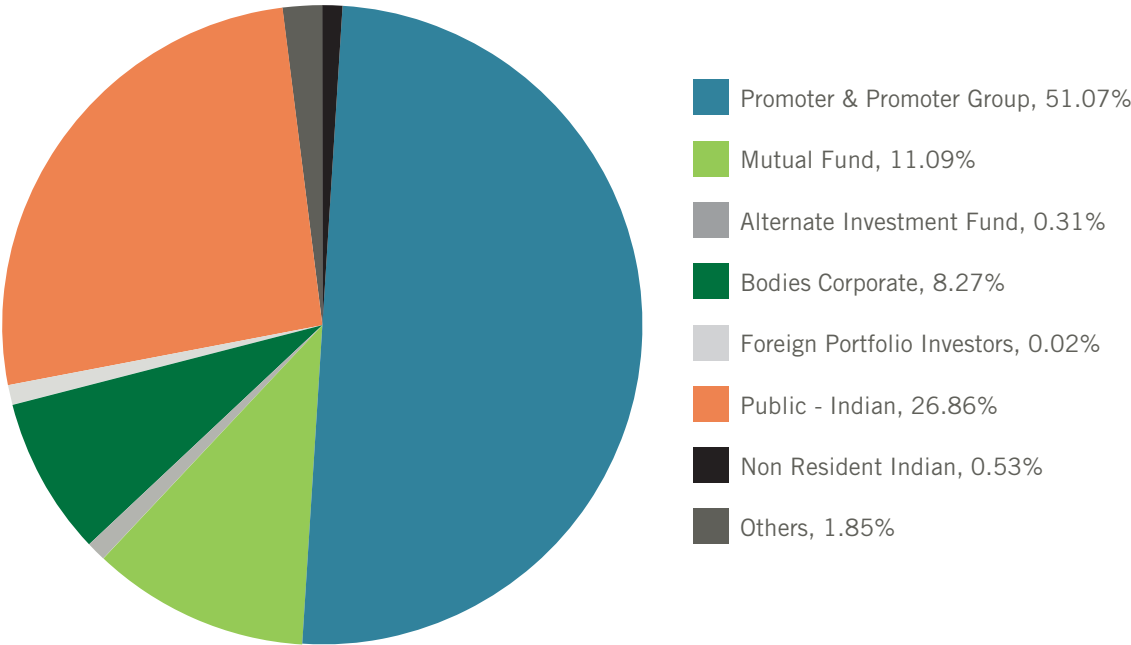
Number of shares of face value	Number of shareholders	% of total shareholders	Number of shares	% of total shares
1-5000	2734	88.77	2316690	2.79
5001-10000	165	5.36	1332020	1.6
10001-20000	70	2.27	1079730	1.3
20001-30000	37	1.2	948840	1.14
30001-40000	9	0.29	302590	0.36
40001-50000	6	0.19	283210	0.34
50001-100000	12	0.39	841170	1.01
100001-999999999	47	1.53	76080050	91.46

Information given in above in the distribution schedule is based on the reports from the RTA.

Shareholding as on March 31, 2018

Sr. No.	Category	Number of Shares held	% of voting strength
1	Promoters & Promoter Group	4248151	51.07
2	Mutual Funds	922593	11.09
3	Alternative Investment Fund	26000	0.31
4	Bodies Corporate	687820	8.27
5	Foreign Portfolio Investors	1806	0.02
6	Indian Public	2234536	26.86
7	Non Resident Indian	44038	0.53
8	Others	153486	1.85
Total		8318430	100.00

Distribution of Shareholding



Dematerialization of shares and liquidity

Sr. No.	Status	Number of Shares	%
1	Holding in Demat mode	8297730	99.75
2	Physical shareholding	20700	0.25
Total		8318430	100.00

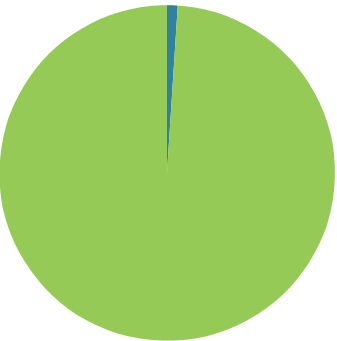
Previous year (i.e. as on 31 Mar 17) - Demat holding was 99.69%

For and on behalf on Board of Directors

Mahendra Sanghvi
Executive Chairman

Amit Sanghvi
Managing Director

Vadodara
May 14, 2018



Auditor’s Certificate on Corporate Governance

To the Members of

Shaily Engineering Plastics Limited

We have examined the compliance of the conditions of Corporate Governance by Shaily Engineering Plastics Limited for the year ended March 31, 2018 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the Company’s Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Governance. It is neither an audit nor an expression of an opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We state that in respect of investor grievances received during the year ended March 31, 2018, no investor grievance is pending against the Company, as per the records maintained by the Company and presented to the Stakeholders Relationship Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Suresh Kumar Kabra

Partner
Samdani Shah & Kabra
Company Secretaries
ACS No. 9711, CP No. 9927

Vadodara
May 14, 2018

Code of Conduct

The Board has adopted a Code of Conduct for all the Board Members and Senior Management Personnel of the Company and the said code of conduct is posted on the website of the Company (www.shaily.com). A declaration signed by the Managing Directors on behalf of the Board of Directors is given below:

We hereby confirm that:

As provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the code of conduct of the Company for the year ended on 31st March, 2018 and the copy of the code of conduct is put on the website of the Company at www.shaily.com.

On behalf of the Board of Directors

Amit Sanghvi
Managing Director

Independent Auditor's Report

Independent Auditor's Report

To The Members of Shaily Engineering Plastics Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **SHAILY ENGINEERING PLASTICS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1

As required by Section 143(3) of the Act, based on our audit we report that:
- a.

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b.

In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c.

The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in

- agreement with the books of account.
- d.

In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e.

On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f.

With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

- 2

With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- a.

The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - refer note 33 (b) and (c);

- b.

The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- c.

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm’s Registration No. 117364W)

Kartikeya Raval
Partner
(Membership No. 106189)

Ahmedabad
May 14, 2018

- 3

As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of SHAILY ENGINEERING PLASTICS LIMITED (“the Company”) as of 31st March, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS

Chartered Accountants

(Firm’s Registration No. 117364W)

Kartikeya Raval

Partner

(Membership No. 106189)

Ahmedabad

May 14, 2018

Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report of even date on Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act

- i.
 - a. The Company is in the process of updating showing full particulars, including quantitative details and situation of fixed assets.
 - b. Some of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, which are freehold, are held in the name of the Company as at the balance sheet date. Immovable properties of land where title deeds have been pledged as security for loans are held in name of the Company based on the confirmations received by us from landers.
- ii. As explained to us, the inventories, except goods in transit, were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification. Inventories lying with third parties have been substantially confirmed by them as at the year-end and no material discrepancies were noticed in respect of such confirmations.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (iii) of the Order is not applicable.
- iv. The Company has not granted any loans, made investments or provided guarantees which require compliance with the provisions of Sections 185 and 186 of the Companies Act, 2013 and hence reporting under clause (iv) of the Order is not applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Hence, reporting under clause (v) of the Order is not applicable.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- vii. According to the information and explanations given to us, in respect of statutory dues:
 - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax and other material statutory dues applicable to it to the appropriate authorities.
 - b. There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax and other material statutory dues in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.
 - c. Details of dues of Income-tax, Sales Tax, Service Tax and Excise Duty (excluding interest and penalty amounts) which have not been deposited as on 31st March, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in lakhs)	Amount Unpaid (₹ in lakhs)
Income Tax Act, 1961	Income Tax	CIT-A	2007-08	2.46	2.46
Income Tax Act, 1961	Income Tax	CIT-A	2010-11	33.70	33.70
Income Tax Act, 1961	Income Tax	CIT-A	2017-18	0.08	0.08
Central Excise Act, 1944	Excise Duty	The Supreme Court	2009-10 to 2017-18	52.27	52.27
Central Excise Act, 1944	Excise Duty	Commissioner (Appeals)	2009-10 to 2017-18	27.35	25.48
Central Excise Act, 1944	Excise Duty	Asst./Dy Commissioner	2009-10 to 2012-13	3.34	3.33
Central Sales Tax Act, 1956	Sales Tax	Commercial Tax Department (Halol)	1996-97	5.73	5.73

According to the information and explanations given to us, there are no dues of Value Added Tax and Goods and Service Tax that have not been deposited as on March 31, 2018 on account of disputes.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and government. The Company has not taken any loans or borrowings from financial institutions or has not issued any debentures.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the current year and hence reporting under clause (ix) of the Order is not applicable.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117364W)

Kartikeya Raval
Partner
(Membership No. 106189)

Ahmedabad
May 14, 2018

Financials

Balance Sheet as at 31st March 2018

₹ in lakhs

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	10,637.02	9,376.55	9,688.96
Capital work-in-progress	25(iii)(C)	575.53	309.50	-
Intangible assets	4	115.96	29.35	34.77
Intangible assets under development		-	59.08	37.08
Financial assets				
i. Investments	5	20.40	20.40	20.40
ii. Other financial assets	6	801.64	20.71	20.67
Other non-current assets	7	442.70	618.62	248.33
Total non-current assets		12,593.25	10,434.21	10,050.21
Current assets				
Inventories	8	4,071.39	2,753.51	2,248.30
Financial assets				
i. Trade receivables	9	6,816.93	4,617.27	3,606.39
ii. Cash and cash equivalents	10	35.25	57.69	882.57
iii. Bank balances other than cash and cash equivalents above	11	333.43	308.16	433.82
iv. Loans	12	6.63	3.20	0.63
v. Other financial assets	6	966.46	4.78	13.16
Other current assets	7	3,658.41	1,854.24	1,307.63
		15,888.50	9,598.85	8,492.50
Current tax asset		-	-	27.23
Total current assets		15,888.50	9,598.85	8,519.73
TOTAL ASSETS		28,481.75	20,033.06	18,569.94

See accompanying notes to the Financial Statements

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Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
EQUITY AND LIABILITIES				
Equity				
Equity share capital	13	831.84	831.84	831.84
Other equity		11,598.78	9,713.15	8,543.64
Total equity		12,430.62	10,544.99	9,375.48
LIABILITIES				
Non-current liabilities				
Financial liabilities				
i. Borrowings	14	2,096.17	1,596.79	3,039.90
Provisions	16	98.22	91.16	76.00
Deferred tax liabilities (Net)	26(c)	421.47	102.94	100.91
Other Non-Current liabilities	17	81.06	86.33	119.43
Total non-current liabilities		2,696.92	1,877.22	3,336.24
Current liabilities				
Financial liabilities				
i. Borrowings	15	6,393.13	3,714.71	2,009.22
ii. Trade payables	18	4,047.49	1,996.70	1,870.02
iii. Other financial liabilities	19	2,500.40	1,417.41	1,739.75
Provisions	16	54.47	41.74	26.74
Current tax liabilities (Net)		193.56	253.30	-
Other current liabilities	17	165.16	186.99	212.48
Total current liabilities		13,354.21	7,610.85	5,858.21
TOTAL LIABILITIES		16,051.13	9,488.06	9,194.45
TOTAL EQUITY AND LIABILITIES		28,481.75	20,033.06	18,569.94

In terms of our report attached

For and on Behalf of the Board of Directors

For Deloitte Haskins & Sells

Chartered Accountants

Kartikeya Raval
Partner

Amit Sanghvi
Managing Director
DIN: 00022444

Laxman Sanghvi
Executive Director
DIN: 00022977

Chintan Shah
Chief Financial Officer

Preeti Sheth
Asst. Company Secretary
CS No: A36624

Ahmedabad, May 14, 2018

Vadodara, May 14, 2018

Statement of Profit & Loss for the year ended 31st March 2018

₹ in lakhs

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Income			
Revenue from operations	20	31,967.13	25,208.04
Other income	21	228.77	337.32
Total income		32,195.90	25,545.36
Expenses			
Cost of materials consumed	22(a)	19,992.97	15,231.08
Changes in inventories of finished goods and work-in-progress	22(b)	(115.47)	(119.06)
Excise duty		142.77	620.79
Employee benefits expense	23	3,074.78	2,640.66
Finance costs	24	672.73	738.15
Depreciation and amortisation expense		1,449.35	1,335.10
Other expenses	25	3,556.04	2,781.98
Total expenses		28,773.15	23,228.70
Profit before tax		3,422.75	2,316.66
Income tax expense			
Current tax	26(a)	1,070.13	737.48
Deferred tax	26(a)	(36.53)	(6.38)
Total tax expense		1,033.60	731.10
Profit for the year		2,389.15	1,585.56
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Reameasurements of post employment benefit obligations		(6.01)	(23.82)
Income tax relating to above		2.08	8.24
Other Comprehensive Income for the year		(3.93)	(15.58)
Total Comprehensive Income for the year		2,385.22	1,569.98

For Deloitte Haskins & Sells

For and on Behalf of the Board of Directors

Kartikeya Raval
Partner

Amit Sanghvi
Managing Director
DIN: 00022444

Laxman Sanghvi
Executive Director
DIN: 00022977

Chintan Shah
Chief Financial Officer

Preeti Sheth
Asst. Company Secretary
CS No: A36624

Ahmedabad, May 14, 2018

Vadodara, May 14, 2018

Cashflow Statement for the year ended 31st March 2018

₹ in lakhs

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A Net cash generated/(used) in Operating Activities		
Profit before tax	3,422.75	2,316.66
Adjustments for:		
Depreciation and amortization expense	1,449.35	1,335.10
Profit on sale of Fixed Asset	(1.94)	(9.59)
Interest income	(26.34)	(38.28)
Remeasurements of defined benefit plans	(6.01)	(23.82)
Finance costs	672.73	737.65
Expected credit loss allowance	-	25.82
Amortisation of share issue expenses and discount on shares	-	4.78
Profit on Sale of mutual funds	-	(174.92)
Net unrealised exchange Gain	(54.95)	(26.09)
Provision written back	-	(13.31)
Operating Profit before working capital changes	5,455.59	4,134.01
Adjustments for:		
(Increase)/decrease in Trade receivables	(2,199.66)	(1,050.59)
(Increase)/decrease in Other receivables and advances	(1,815.68)	(509.28)
(Increase)/decrease in Inventories	(1,317.88)	(505.21)
Increase / (decrease) in other financial Assets	(1,744.05)	-
Increase/(decrease) in Trade Payables	2,076.65	143.85
Increase/(decrease) in Other Liabilities and provisions	876.63	(102.83)
Cash generated from operations	1,331.60	2,109.95
Taxes paid (Net of refunds)	(800.06)	(406.36)
Net cash flow from operating activities	531.54	1,703.58

The above Statement of Cashflows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on Statement of Cashflows

₹ in lakhs		
Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
B Net cash generated/(used) from Investing Activities		
Purchases of Property, Plant & Equipment	(2,630.37)	(1,745.52)
Proceeds from sale of Property, Plant & Equipment	17.04	22.22
Interest received	27.79	28.51
Purchase of investments	-	(2,400.00)
Proceeds from sales of Investments	-	2,574.92
Bank balances not considered as cash and cash equivalents	25.27	125.75
Net Cash generated/ (used) in Investing Activities	(2,560.27)	(1,394.12)
C Net cash generated/(used) from Financing Activities		
Proceeds from long term borrowings	2,716.00	-
Repayment of long term borrowings	(2,205.27)	(1,702.36)
Increase / (decrease) in borrowings for working capital	2,678.41	1,705.49
Payment of Dividend	(499.59)	(400.47)
Finance costs	(683.26)	(737.00)
Net cash flow from / (used in) financing activities	2,006.29	(1,134.34)
D Net cashflow generated / (used)	(22.44)	(824.88)
Cash & Cash Equivalents as at beginning of the year	57.69	882.57
Cash & Cash equivalents as at end of the year	35.25	57.69

In terms of our report attached

For and on Behalf of the Board of Directors

For Deloitte Haskins & Sells

Chartered Accountants

Kartikeya Raval

Amit Sanghvi

Laxman Sanghvi

Chintan Shah

Preeti Sheth

Partner

Managing Director

Executive Director

Chief Financial Officer

Asst. Company Secretary

DIN: 00022444

DIN: 00022977

CS No: A36624

Ahmedabad, May 14, 2018

Vadodara, May 14, 2018

Statement of Changes in Equity for the year ended 31st March 2018

₹ in lakhs

a Equity share capital

Particulars	Amount
As at 1st April, 2016	831.84
Changes in equity share capital	-
As at 31st March, 2017	831.84
Changes in equity share capital	-
As at 31st March, 2018	831.84

b Other equity

Particulars	Reserves and surplus				Total other equity
	Securities premium reserve	Surplus in statement of profit and loss	Capital reserve	General reserve	
As at 1st April, 2016	3,207.51	5,051.64	92.91	191.58	8,543.64
Profit for the year	-	1,585.56	-	-	1,585.56
Other comprehensive income	-	(15.58)	-	-	(15.58)
Total comprehensive income for the year	-	1,569.98	-	-	1,569.98
Transactions with owners in their capacity as owners:					
Dividends paid (including dividend distribution tax)	-	(400.47)	-	-	(400.47)
As at 31st March, 2017	3,207.51	6,221.15	92.91	191.58	9,713.15
As at 1st April, 2017	3,207.51	6,221.15	92.91	191.58	9,713.15
Profit for the year	-	2,389.15	-	-	2,389.15
Other comprehensive income	-	(3.93)	-	-	(3.93)
Total comprehensive income for the year	-	2,385.22	-	-	2,385.22
Transactions with owners in their capacity as owners:					
Dividends paid (including dividend distribution tax)	-	(499.59)	-	-	(499.59)
As at 31st March, 2018	3,207.51	8,106.78	92.91	191.58	11,598.78

For Deloitte Haskins & Sells

For and on Behalf of the Board of Directors

Kartikeya Raval

Amit Sanghvi

Laxman Sanghvi

Chintan Shah

Preeti Sheth

Partner

Managing Director

Executive Director

Chief Financial Officer

Asst. Company Secretary

DIN: 00022444

DIN: 00022977

CS No: A36624

Ahmedabad, May 14, 2018

Vadodara, May 14, 2018

Notes forming part of the financial statements

1 Corporate Information

Shaily Engineering Plastics Limited (“the Company”) is a public Company, limited by shares, incorporated and domiciled in India under the provisions of Companies Act, applicable in India, with its registered office in Savli, District Vadodara, Gujarat. Its equity shares are listed on the Bombay Stock Exchange (BSE) in India. The Company is engaged in the manufacture and sale of injection moulded precision plastic components and sub-assemblies. The Company’s manufacturing facilities are at Savli and Halol, Vadodara, Gujarat.

These financial statements were authorized for issue in accordance with a resolution of the board of directors on 14th May, 2018.

2 Significant accounting policies

a. **Basis of preparation**

- i. Compliance with Ind AS

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31st March, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 39 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company’s financial position, financial performance and cash flows.
- ii. Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

 - defined benefit plans - plan assets measured at fair value.
 - certain financial assets and liabilities that are measured at fair value.
- iii. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
 - Held primarily for the purpose of trading
 - Expected to be realised within twelve months after the reporting period, or
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.
- A liability is current when:
- It is expected to be settled in normal operating cycle
 - It is held primarily for the purpose of trading
 - It is due to be settled within twelve months after the reporting period, or
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

- iv. New standards or interpretations adopted by the Company

The Company has applied the following amendment for the first time for its annual reporting period commencing 1st April, 2017:

Amendment to Ind AS 7 “Statement of Cash Flows”:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of Standalone Financial Statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The adoption of this amendment did not have any impact on the amounts recognised in prior periods. When the Company first applies these amendments, it is not required to provide comparative information for preceding periods.

- v. New standards or interpretations issued by but not yet effective

The Company will apply the following standard for the first time for its annual reporting period commencing 1st April, 2018:

Ind AS 115 – Revenue from Contracts from Customers

On March 28, 2018, the Ministry of Corporate Affairs issued Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 – Revenue from Contracts with Customers. The accounting standard is applicable to the Company from April 1, 2018.

This will replace Ind AS 18 which covers contracts for goods and services. Entities will have a choice of full retrospective application, or modified retrospective application with additional disclosures.

The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer and essentially replaces the existing notion of risks and rewards. The management is evaluating the requirements of the new standard and the effect on the financial statements.

Ind AS 21 – The Effects of Changes in Foreign Exchange Rate: Appendix B to Ind AS 21, Foreign currency transactions and advance consideration.

On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The company is in the process of evaluating the impact.

b. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors assesses the financial performance and position of the Company, and makes strategic decisions. The managing director has been identified as being the chief operating decision maker. Refer Note 31 for segment information.

c. Foreign currency transactions and translations

i. Functional and presentation currency

Items included in financial statements are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The financial statements are presented in Indian rupee (₹), which is the company’s functional and presentation currency.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the Statement of Profit and Loss. Foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other incomes/expenses.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs.

d. Revenue and income recognition

Sale of products

Timing of recognition: The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, the significant risk and reward of ownership has passed onto the customer, the recovery of the cost can be estimated reliably and there is no continuing managerial involvement with the product.

Measurement of revenue: *Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, and excluding amounts collected on behalf of third parties (viz goods and services tax)*

Revenue with respect to Other Operating Income and Other Income is recognised when a reasonable certainty as to its realization exists. Interest income from financial assets such as time deposits is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

e. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Export incentive available under prevalent scheme is accrued in the year when the right to receive credit as per the term of scheme is established in respect of exports made and accounted to the extent there is no significant uncertainty about the measurability and ultimate utilization of such duty credit.

f. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in India.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and

tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

g. Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease’s inception at the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease of fulfillment of the arrangement is dependent on the use of a specified asset or assets in a contract.

These leases are analyzed based on the situations and indicators set out in Ind AS 17 in order to determine whether they are finance leases or operating leases.

A finance lease is defined as a lease which transfers substantially all the risks and rewards incidental to the ownership of the related asset to the lessee. All leases which do not comply with the definition of finance lease are classified as operating leases.

Appendix C of Ind AS 17 deals with the identification of services and take-or-pay contracts that do not take the legal form of lease but convey rights to customers/suppliers to use an asset or assets in return for a payment or a series of fixed payments. Contracts meeting these criteria are identified as either operating leases or finance leases. In the later case, a finance lease receivable is recognized to reflect the financing deemed to be granted by the company where it is considered as acting as a lessor and its customer as lessees.

The Company has assessed certain take-or-pay contract manufacturing agreements where it manufactures on behalf of the customer using identified plant and machinery. The customer has an exclusive right-of-first-refusal over which the output from such identified plant and machinery.

In case of finance leases, where assets are leased out under a finance lease, the amount recognized under finance lease receivables is an amount equal to the net investment in the lease.

h. Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss, to the extent the amount was previously charged to the statement of profit and loss.

i. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

j. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment if any.

k. Inventories

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases, cost of conversion and all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in first-out basis.

Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

I. Financial assets and liabilities

i. Financial assets

1. Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

Financial assets other than equity instruments

For financial assets other than equity, the classification will depend on contractual terms of the cash flows and on the business model in which the financial asset is held. The Company reclassifies the financial assets other than equity when and only when its business model for managing those assets changes.

Financial assets that are equity instruments

For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss.

Financial assets other than equity instruments

Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Measured at fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised

in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Measured at fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Currently, the Company holds no "other than equity instrument" financial assets that are classified as fair value through other comprehensive income.

Financial assets that are equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income/ expenses in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

The Company is required to assess on a forward looking basis the expected credit losses associated with its assets carried at amortised cost which includes trade receivables, security deposits etc. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The impairment methodology applied on other financial assets depends on whether there has been a significant increase in credit risk.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

ii. Financial liabilities:

1. Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at its fair value plus or minus transaction costs that are directly attributable to the issue of the financial liability in case its classification is amortised cost viz. trade and other payables, borrowings etc.

	The Company has no financial liabilities that are measured at fair value through profit or loss.
2.	<i>Subsequent measurement</i> Financial liabilities are subsequently measured at amortised cost using the EIR method. <i>Trade and other payables</i> Trade payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current financial liabilities unless payment is not due within 12 months after the reporting period. <i>Borrowings</i> Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.
3.	<i>Derecognition</i> A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.
m.	Offsetting financial instruments Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.
n.	Property, plant and equipment Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

	Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
i.	Transition to Ind AS On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.
ii.	Depreciation methods, estimated useful lives and residual value Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. The property, plant and equipment acquired under finance leases is depreciated over the asset’s useful life or over the shorter of the asset’s useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other incomes/expenses.
o.	Intangible assets Intangible Assets are stated at cost of acquisition less accumulated amortisation/ impairment losses, if any. Intangible assets are amortised on a straight-line basis over their estimated useful lives. Company has estimated useful life for computer software at 6 years and for patents and copyrights at 10 years. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.
1.	<i>Transition to Ind AS</i> On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.
2.	<i>Amortization methods, estimated useful lives and residual values</i> The Company amortizes intangible assets with a finite useful life using the straight-line method over the estimated useful lives. Computer Software is amortised over a period of six years based on terms of the software

	licenses. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimates being accounted for on a prospective basis.
p. Borrowings costs	General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.
	Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.
	Other borrowing costs are expensed in the period in which they are incurred.
q. Provisions and contingencies	A provision is recognised when the Company has a present obligation, legal or constructive, as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding employee benefit obligations) are discounted to their present value using a pre-tax rate that reflects current market assessments of time value of money, where the timing of settlement is more than one year and is reliably predictable. The increase in provision due to passage of time is recorded as interest expense in the statement of profit and loss. In case, the timing of ultimate settlement is not reliably predictable, the amount of provision is determined based on the best estimate required to settle the obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best assessments.
	Contingencies are disclosed in the notes.
r. Employees Benefits	
i. Short-term obligations	Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees’ services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.
ii. Long-term obligations	Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

	The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.
iii. Post-employment obligations	The Company operates the following post-employment schemes: - defined benefit plans such as gratuity, and - defined contribution plans such as provident fund.
1. <i>Defined benefit plans</i>	The employees’ gratuity fund scheme managed by HDFC Standard Life Insurance is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.
2. <i>Defined contribution plans</i>	Company’s contribution to Provident fund and other funds are determined under the relevant schemes and/or statute and charged to revenue.
s. Contributed equity	Equity shares are classified as equity.
	Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.
t. Dividends	Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period
u. Earnings per share	
i. Basic earnings per share	Basic earnings per share is calculated by dividing: - the profit attributable to owners of the Company - by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

- ii. Diluted earnings per share
- Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
 - the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

v. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2.2 Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

The area involving critical estimates or judgements is:

- i. Estimation of defined benefit obligation – Note 16
- The cost of the defined benefit gratuity plan and other post-employment employee benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available Indian Assured Lives Mortality (2006-08) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

- ii. Estimation of useful life of Mould – Note 41
- The useful life of the Mould, identified as Finance assets, as per Note 41, has been taken based on the period committed by the customer in agreement with the company. Over this period, customer commits to purchase definite quantity of product from the company at fixed price per unit, failing which customer commits to pay to the company for the unsold quantity of the producta) at such fixed rate per unit.
- iii. Useful lives and residual value of property, plant and equipment
- The Company reviews the useful life and residual value of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.
- iv. Allowance for expected credit losses
- Note -29a describes the use of practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The expected credit allowance is based on the aging of the days receivables which are past due and the rates derived based on past history of defaults in the provision matrix.
- v. Income taxes
- Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.
- vi. Contingent liability judgement:
- Note - 33 lists down certain litigation with tax authorities on account of disputes on tax position taken by the Company. Based on past experience and/or legal opinion, Company believes that the charges are not certain and and there exists no obligation as at balance-sheet date and hence have disclosed the same as contingent liabilities.

3 Property, plant and equipment

₹ in lakhs

Particulars	Land (Freehold)	Lease Hold Land	Buildings	Plant and Machinery	Electrical Installations	Tools and Equipment	Furniture and Fixtures	Office Computer Hardwares Equipment	Roads	Vehicles	Total
Year ended 31st March, 2017											
Gross carrying amount											
Deemed cost as at 1st April, 2016	127.67	9.20	2,551.20	5,500.18	423.48	756.42	128.39	22.53	19.31	18.24	9,688.96
Additions	-	-	79.71	601.03	61.92	192.73	12.31	9.24	16.72	-	1,022.25
Disposals	-	-	-	(5.19)	(3.42)	(1.52)	-	-	-	-	(10.12)
Closing gross carrying amount	127.67	9.20	2,630.91	6,096.02	481.98	947.64	140.70	31.77	36.03	18.24	10,701.09
Depreciation and amortisation charge during the year	-	-	101.78	934.48	68.59	137.29	29.51	6.45	12.63	7.24	1,325.96
Eliminated on disposal of assets	-	-	-	(1.42)	-	-	-	-	-	-	(1.42)
Closing accumulated depreciation	-	-	101.78	933.07	68.59	137.29	29.51	6.45	12.63	7.24	1,324.54
Net carrying amount as at 31st March, 2017	127.67	9.20	2,529.13	5,162.96	413.39	810.35	111.19	25.32	23.40	11.01	9,376.55
Year ended 31st March, 2018											
Gross carrying amount											
Opening gross carrying amount as at 1st April, 2017	127.67	9.20	2,630.91	6,096.02	481.98	947.64	140.70	31.77	36.03	18.24	10,701.09
Additions	-	-	665.04	1,613.60	128.73	140.67	41.18	31.18	24.27	-	2,702.76
Disposals	-	-	-	(0.94)	-	(3.39)	-	(3.46)	-	-	(18.64)
Closing gross carrying amount	127.67	9.20	3,295.95	7,708.68	610.71	1,084.91	181.88	59.49	60.30	18.24	13,385.21
Accumulated depreciation											
Opening Accumulated Depreciation as at 1st April, 2017	-	-	101.78	933.07	68.59	137.29	29.51	6.45	12.63	7.24	1,324.54
Depreciation during the year	-	-	110.12	1,040.64	67.86	119.62	26.05	8.57	13.95	7.05	1,427.19
Eliminated on disposal of assets	-	-	-	(0.55)	-	(0.19)	-	(0.34)	-	-	(3.55)
Closing accumulated depreciation	-	-	211.90	1,973.16	136.45	256.72	55.56	14.68	26.58	14.29	2,748.18
Net carrying amount as at 31st March, 2018	127.67	9.20	3,084.05	5,735.52	474.27	828.19	126.32	44.81	33.72	3.96	10,637.02

Notes:

- i.

Leased assets: Property, plant and equipment where the Company is a lessee under a finance lease are (i) Leasehold land, and (ii) Vehicles in previous year as finance lease on vehicles has been ended in the current year. Since all the assets under the respective blocks of assets are on finance lease, no separate disclosure is made of the net carrying amounts of leased assets.
- ii.

Refer note 38 for assets pledged as security
- iii.

Refer note 34 for disclosure of contractual obligations for acquisition of plant, property and equipment.

4 Intangible assets

₹ in lakhs

Particulars	Copyright & Patents	Computer Software
Year ended 31st March, 2017		
Gross carrying amount		
Deemed cost as at 1st April, 2016	-	34.77
Additions	-	2.82
Closing gross amount	-	37.59
Accumulated depreciation		
Amortisation charge during the year	-	8.64
Closing accumulated depreciation	-	8.64
Net carrying amount as at 31st March, 2017	-	29.35

Year ended 31st March, 2018

Gross carrying amount		
Opening Gross carrying amount as at 1st April, 2017	-	37.59
Additions	38.24	70.93
Closing gross amount	38.24	108.52
Accumulated depreciation		
Opening Accumulated Depreciation as at 1st April, 2017	-	8.64
Amortisation charge during the year	1.58	20.58
Closing accumulated depreciation	1.58	29.22
Net carrying amount as at 31st March, 2018	36.66	79.30

5 Non-current investments

₹ in lakhs

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Investment in equity instruments (fully paid-up) at FVOCI (Unquoted)			
Equity Instrument (Investment in others)			
119000 Shares of Panax Appliances Pvt Ltd fully paid up (31st March, 2017: 119,000, 1st April,2016: 124,000) Equity Shares of ₹10/- each	-	-	-
325 Shares of The Citizen Co-Operative Credit Society Ltd, fully paid up (31st March, 2017: 325 ,1st April, 2016: 325) Equity shares of ₹ 25 each	0.08	0.08	0.08
1340 Shares of Co-Operative Bank Of Baroda, fully paid up. (31st March, 2017 : 1,340,1st April, 2016: 1,340) Equity shares of ₹ 25 each.	0.34	0.34	0.34
Total (equity instruments)	0.42	0.42	0.42
Investment in Preference shares (fully paid up) at FVTPL (Unquoted)			
871000 6 % Cummulative Redeemable Preference Shares of ₹ 4/- each of Panax Appliances Pvt Ltd fully paid up (31st March, 2017: 871,000,1st April, 2016: 871,000 at ₹ 4/- each)	19.98	19.98	19.98
Total (preference shares)	19.98	19.98	19.98
Total investments	20.40	20.40	20.40
Total investments		20.40	20.40
Aggregate amount of quoted investments and market value thereof		-	-
Aggregate amount of unquoted investments		20.40	20.40

6 Other financial assets

₹ in lakhs

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Non-Current			
Security Deposits	18.07	20.71	20.67
Finance Lease Receivables	783.57	-	-
Total Non-Current	801.64	20.71	20.67
Current			
Interest accrued on deposits	3.33	4.78	13.16
Finance Lease Receivables	963.13	-	-
Total Current	966.46	4.78	13.16

7 Other assets

₹ in lakhs

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Non-Current			
Capital Advances	442.70	618.62	248.33
Total Non-Current	442.70	618.62	248.33
Current			
Prepaid expenses	88.39	101.32	69.44
Advance other than capital advances	446.89	421.58	196.62
Balances with government authorities			
i) CENVAT credit receivable	24.41	763.36	799.52
ii) VAT/GST credit receivable	2,152.74	62.47	59.86
iii) Service Tax credit receivable	33.03	120.44	95.06
iv) Advance Import Duty	0.54	-	5.69
v) FPS & MEIS (DGFT) Import License receivable	912.41	385.07	76.66
Others	-	-	4.78
Total Current	3,658.41	1,854.24	1,307.63

8 Inventories

₹ in lakhs

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Raw materials and components	2,995.95	1,833.23	1,500.39
(Goods in transit ₹ 471 lakhs 31st March, 2017: ₹ 165 lakhs 1st April, 2016: ₹ 158 lakhs)			
Work-in-progress	479.45	418.32	305.65
Finished goods	421.82	366.99	360.60
Stores and spares	30.99	31.92	21.38
Packing materials	143.18	103.07	60.28
Total	4,071.39	2,753.51	2,248.30

9 Trade Receivables

₹ in lakhs

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade receivables (Unsecured, considered good)	6,842.75	4,643.09	3,606.39
Allowance for expected credit loss	(25.82)	(25.82)	-
Total	6,816.93	4,617.27	3,606.39

10 Cash and cash equivalents

₹ in lakhs

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Cash on Hand	2.94	2.13	14.02
Balances with banks			
In current accounts	5.42	32.44	528.57
In EEFC accounts	26.89	23.12	339.98
Total	35.25	57.69	882.57

11 Bank balances other than cash and cash equivalents above

₹ in lakhs

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Deposits	-	-	16.87
In earmarked accounts			
Unpaid dividend accounts	1.88	1.26	0.67
Balances held as margin money or	330.55	306.90	415.78
Security against borrowings,			
Guarantees and other commitments			
Total	333.43	308.16	433.82

12 Loans

₹ in lakhs

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Loans to employees	6.63	3.20	0.63
Total	6.63	3.20	0.63

13 Equity Share capital and other equity

1 Equity share capital

i. Authorised share capital

Particulars	Number of shares	Amount
As at 1st April, 2016	16,000,000	1,600.00
As at 31st March, 2017	16,000,000	1,600.00
As at 31st March, 2018	16,000,000	1,600.00

ii. Issued,Subscribed & fully paid up Share Capital

Particulars	Number of shares	Amount
As at 1st April, 2016	8,318,430	831.84
As at 31st March, 2017	8,318,430	831.84
As at 31st March, 2018	8,318,430	831.84

Terms and rights attached to equity shares

- The Company has only one class of equity shares having face value of ₹ 10 each. Each holder of Equity share is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.
- The Board of Directors has recommended dividend of ₹ 7.50 per Equity share of ₹ 10/- each subject to the shareholders approval in the ensuing 38th Annual General Meeting.

iii. Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number of shares	% Holding	Number of shares	% Holding	Number of shares	% Holding
Mahendra Sanghvi	811,335	9.75%	902,535	10.85%	829,875	9.98%
Tilottama Sanghvi	914,150	10.99%	914,150	10.99%	898,490	10.80%
Laxman Sanghvi	476,424	5.73%	526,424	6.33%	501,924	6.03%
Jayessh Shah	759,838	9.13%	759,838	9.13%	679,838	8.17%
Ashish Kacholia	460,785	5.54%	-	-	1,000,000	12.02%
Bengal Finance & Investment Pvt. Ltd	-	-	600,000	7.21%	-	-
Mukul Mahavir Prasad Agrawal	400,000	4.81%	484,030	5.82%	484,030	5.82%
DSP BlackRock Emerging Stars Fund	549,837	6.61%	674,596	8.11%	450,000	5.41%

2 Reserves and surplus

₹ in lakhs

Particulars	As at March 31, 2018	As at 31st March, 2017	As at 1st April, 2016
Securities premium reserve	3,207.51	3,207.51	3,207.51
Capital Reserve	92.91	92.91	92.91
General Reserve	191.58	191.58	191.58
Surplus in statement of profit and loss	8,106.78	6,221.15	5,051.64
Total	11,598.78	9,713.15	8,543.64

Nature and purpose of other reserves

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Capital Reserve relates to the balance towards merger of Anmol Trading Company.

iv. Surplus in statement of profit and loss

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Opening balance	6,221.15	5,051.64
Profit for the year	2,389.15	1,585.56
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligation, net of tax	(3.93)	(15.58)
Dividends paid (including dividend distribution tax)	(499.59)	(400.47)
Closing balance	8,106.78	6,221.15

14 Non-current borrowings

₹ in lakhs

Particulars				As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured						
Term loans:						
Rupee Currency				2,077.32	1,048.76	1,447.93
Foreign Currency				-	529.18	1,467.50
Long term maturities of finance lease obligations				-	-	11.47
Unsecured						
Deposits				18.85	18.85	113.00
Total				2,096.17	1,596.79	3,039.90
	Maturity Date	Terms of repayment	Coupon Rate	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Term loans						
Rupee Currency	December 2020	Quarterly	10% to 12.15%	3,734.21	1,447.81	1,847.93
		Quarterly	PY 11.70% to 12.20%			
		Quarterly	PTOP11.80% to 12.75%			
Foreign Currency	April 2018 & December 2018	Quarterly	5.13% to 7.60%	531.19	1,437.33	2,659.39
		Quarterly	PY4.87% to 7.60%			
		Quarterly	PTOP 4.90% to 7.60%			
Obligations under finance lease for purchase of vehicles	February 2018	Monthly	9.75% to 10.75%	-	11.47	42.89
Total non-current borrowings				4,265.40	2,896.62	4,550.21
Less: Current maturities of long-term debt (included in note 19)				(2,188.08)	(1,307.21)	(1,591.88)
Less: Current maturities of finance lease obligations (included in note 19)				-	(11.47)	(31.42)
Total current maturities				(2,188.08)	(1,318.68)	(1,623.31)
Deposits		Half Yearly	12.50%	18.85	18.85	113.00
Non-current borrowings				2,096.17	1,596.79	3,039.90

Security

Term loans from banks are secured by a pari passu charge over entire property, plant and equipment of the Company.Foreign Currency Loan is further secured by hypothecation of all current assets of the company, present & future. These are further secured by personal guarantee of some of the directors of the Company.

15 Current borrowings

₹ in lakhs

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Loans repayable on demand			
From banks			
Cash Credit	5,893.66	3,412.77	2,009.22
Bill Discounting	499.47	301.94	-
Total	6,393.13	3,714.71	2,009.22

	Coupon Rate	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Loans repayable on demand				
Cash Credit	9.15% to 11.05%	5,893.65	3,412.77	2,009.72
	PY 5.65% to 12.05%			
	PTOP 1.31% to 12.60%			
Bill Discounting	NA	499.47	301.94	-
Total current borrowings		6,393.13	3,714.71	2,009.72

Security

Working capital loans from banks are secured by hypothecation of all current assets of the Company, present and future, such as inventories, receivables, loans and advances, etc. Working capital loans are further secured by second pari passu charge over entire property, plant and equipments of the Company. These are further secured by personal guarantees of some of the directors of the Company.

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 39.

16 Provisions

₹ in lakhs

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Non-Current			
Provision for compensated absences	98.22	91.16	76.00
Total Non-Current	98.22	91.16	76.00
Current			
Provision for compensated absences	54.47	41.74	26.74
Total Current	54.47	41.74	26.74

Defined contribution plans

The Company makes Provident Fund and Superannuation Fund Contributions to defined contribution plans for qualifying employees. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The Company recognised year ended 31st March 2018 ₹116.07 lakhs (Year ended 31st March, 2017 ₹105.48 lakhs) for Provident Fund contributions and ₹25.91 lakhs (Year ended 31st March, 2017 ₹ 24.70 lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss.

Defined benefit plans

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The Company operates a gratuity plan administered by LIC. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Company scheme whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

Compensated absences

Provision for compensated absences covers the liability for sick and earned leave. Compensated absences that are not expected to occur within twelve months after the end of the period in which the employee renders the related services are measured at the present value of expected future payments to be made in respect of such services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Gratuity

₹ in lakhs

	Present value of obligation	Fair value of plan assets	Net amount
As at 1st April, 2016	208.18	208.18	-
Current service cost	16.63	-	16.63
Past service cost	92.00	-	92.00
Interest expense/(income)	12.53	13.52	(0.99)
Total amount recognised in statement of profit and loss	329.34	221.70	107.64
Remeasurements			-
Return on plan assets, excluding amount included in interest expense/(income)	-	11.80	(11.80)
(Gain)/loss from change in demographic assumptions	2.64	-	2.64
(Gain)/loss from change in financial assumptions	37.53	-	37.53
Experience (gains)/losses	(4.55)	-	(4.55)
Actual Return on Plan assets	-	-	-
Total amount recognised in other comprehensive income	35.62	11.80	23.82
Employer contributions		132.25	(132.25)
Benefit payments	(10.82)	(10.82)	-
As at 31st March, 2017	354.13	354.93	(0.79)

₹ in lakhs

	Present value of obligation	Fair value of plan assets	Net amount
As at 31st March, 2017	354.13	354.93	(0.79)
Current service cost	24.36	-	24.36
Interest expense/(income)	21.05	21.98	(0.93)
Total amount recognised in statement of profit and loss	399.55	376.90	22.65
Remeasurements	-	-	-
Return on plan assets, excluding amount included in interest expense/(income)	-	(2.14)	2.14
(Gain)/loss from change in demographic assumptions	-		-
(Gain)/loss from change in financial assumptions	(15.25)	-	(15.25)
Experience (gains)/losses	19.12	-	19.12
Actual Return on Plan assets	-	-	-
Total amount recognised in other comprehensive income	3.87	(2.14)	6.01
Amount required to be spent as per Section 135 of the Act	-	27.48	(27.48)
Benefit payments	(5.80)	(5.80)	-
As at 31st March, 2018	397.62	396.44	1.18

As at 31st March, 2017

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Present value of funded obligations	397.62	354.13	208.18
Fair value of plan assets	396.44	354.93	208.18
Surplus of funded plan	1.18	(0.79)	-
Unfunded plan	-	-	-
Surplus / (Deficit) of Gratuity plan	1.18	(0.79)	-

Leave Encashment

₹ in lakhs

	Present value of obligation	Fair value of plan assets	Net amount
As at 31st March, 2016	102.74	-	102.74
Current service cost	15.36	-	15.36
Past service cost	-	-	-
Interest expense/(income)	5.42	-	5.42
Total amount recognised in statement of profit and loss	123.52	-	123.52
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain)/loss from change in demographic assumptions	(4.18)	-	(4.18)
(Gain)/loss from change in financial assumptions	11.58	-	11.58
Experience (gains)/losses	12.37	-	12.37
Actual Return on Plan assets	-	-	-
Total amount recognised in other comprehensive income	19.77	-	19.77
Employer contributions			-
Benefit payments	(10.39)	-	(10.39)
As at 31st March, 2017	132.90	-	132.90

₹ in lakhs

	Present value of obligation	Fair value of plan assets	Net amount
As at 31st March, 2017	132.90	-	132.90
Current service cost	28.19	-	28.19
Interest expense/(income)	6.72	-	6.72
Total amount recognised in statement of profit and loss	167.81	-	167.81
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(4.86)	-	(4.86)
Experience (gains)/losses	26.58	-	26.58
Actual Return on Plan assets		-	
Total amount recognised in other comprehensive income	21.72	-	21.72
Employer contributions	-	-	-
Benefit payments	(36.84)	-	(36.84)
As at 31st March, 2018	152.69	-	152.70
As at 31st March, 2017	132.90	-	132.90

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Present value of funded obligations	-	-	-
Fair value of plan assets	-	-	-
Surplus of funded plan	-	-	-
Unfunded plan	152.69	132.90	102.74
Deficit of Leave encashment	152.69	132.90	102.74

Fair value of plan assets at the balance sheet date for defined benefit obligations: ₹ in lakhs

Gratuity

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Insurer managed funds	396.44	354.93	208.18
Total	396.44	354.93	208.18

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Gratuity

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Discount rate	7.60%	7.05%	7.85%
Salary escalation rate	7% for next 1 year and 5% thereafter	7% for next 2 years and 5% thereafter	4.50%
Expected Return on plan assets	7.60%	7.05%	7.85%

Leave Encashment

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Discount rate	7.60%	7.05%	7.85%
Salary escalation rate	7% for next 1 year and 5% thereafter	7% for next 2 years and 5% thereafter	4.50%
Expected Return on plan assets	NIL	NIL	NIL

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is: ₹ in lakhs

	Change in assumption			Impact on defined benefit obligation		
	Increase in assumption			decrease in assumption		
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Discount rate	0.55%	(0.80%)	13.81	1.75	12.86	23.32
Salary escalation rate	NA	NA	-	NA	-	NA
Expected Return on plan assets	0.55%	(0.80%)	-	NA	-	NA

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Maturity Analysis

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31st March, 2018					
Defined Benefit Obligation	151	8	38.74	161.33	358.71
31st March, 2017					
Defined Benefit Obligation	111	16	26.74	138.68	292.23

17 Other liabilities

₹ in lakhs

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Non-Current			
Deferred Income	16.77	-	-
Advance from customers	64.29	86.33	119.43
Total Non-Current	81.06	86.33	119.43
Current			
Deferred Income	1.46	-	-
Statutory dues	22.80	37.90	28.54
Acrued Interest Payable	5.31	15.84	20.70
Advance received from customers	135.59	133.25	163.24
Total Current	165.16	186.99	212.48

18 Trade payables

₹ in lakhs

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade payables(other than Acceptances)	4,047.49	1,996.70	1,870.02
Total	4,047.49	1,996.70	1,870.02

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the company and relied by the auditors.

₹ in lakhs

Particulars	31st March, 2018	31st March, 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	181.36	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSME.

19 Other financial liabilities

₹ in lakhs

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current			
Current maturities of long-term debt	2,188.08	1,307.21	1,591.88
Current maturity of finance lease obligations	-	11.47	31.42
Deferred payment liabilities	21.04	21.04	21.04
Unpaid dividends	1.88	1.26	0.68
Capital Creditors	286.40	73.82	92.73
Trade/Security deposit received	3.00	3.00	2.00
Total	2,500.40	1,417.41	1,739.75

20 Revenue from operations

₹ in lakhs

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Sale of Products	30,248.94	24,539.32
Sale of services	654.21	169.30
Other operating revenue		
Sale of Scrap	33.96	18.75
Export Incentives	1,030.02	480.67
Total other operating revenue	1,063.98	499.42
Total	31,967.13	25,208.04

21 Other income

₹ in lakhs

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest Income	26.34	38.28
Net gain arising on Financial Asset designated at FVTPL	-	174.42
Net gain on foreign currency transactions	165.35	95.54
Other non-operating income (net of expenses directly attributable to such income)	37.08	28.58
Total	228.77	337.32

22 a) Cost of material consumed

₹ in lakhs

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Opening stock	1,936.30	1,560.67
Add: Purchases	21,195.80	15,606.71
Less :Closing stock	(3,139.13)	(1,936.30)
Total	19,992.97	15,231.08

22 b) - Changes in inventories of finished goods and work in progress

₹ in lakhs

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Inventories at the end of the year		
i) Finished goods	421.82	366.99
ii) Work in progress	479.45	418.32
	901.27	785.80
Inventories at the beginning of the year		
i) Finished goods	366.99	360.60
ii) Work in progress	418.32	306.14
	785.80	666.74
Net increase / decrease	(115.47)	(119.06)

23 Employee benefit expenses

₹ in lakhs

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Salaries and Wages	2,742.71	2,291.24
Contributions to provident and other funds	166.85	235.66
Staff Welfare Expenses	165.22	113.76
Total	3,074.78	2,640.66

24 Finance Costs

₹ in lakhs

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest expense on:		
Borrowings	669.38	730.53
Interest on loans from related parties	2.39	6.21
Others	0.96	0.91
Total	672.73	738.15

25 Other Expenses

₹ in lakhs

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Power and fuel	1,559.75	1,319.48
Stores and spares consumed	124.35	128.87
Labour Charges	9.33	20.98
Increase / (decrease) of excise duty on inventory	(19.96)	1.51
Repairs & maintenance		
Building	39.56	30.53
Plant & Machinery	357.26	181.50
Others	134.80	87.15
Rent	50.13	51.35
Rates and taxes	11.47	2.49
Insurance	57.30	49.62
Conveyance expense	16.47	12.91
Postage and telephone expense	21.91	19.83
Printing and stationery	26.70	19.41
Vehicle expense	66.30	57.03
Legal and professional	100.98	83.77
Directors' Sitting Fees	12.55	10.74
Sales commission, discount and Fees	108.13	78.01
Payments to auditors (Refer Note (i) below)	15.30	15.00
Travelling expense	162.15	177.36
Carriage outwards	226.39	176.11
Advertisement	5.25	4.53
Corporate social responsibility (Refer note (ii) below)	5.30	12.88
Royalty	12.54	26.29
Expected credit loss allowance	-	25.82
Write off	34.11	-
Testing fees	66.54	51.18
Loss on Finance Lease	157.07	-
Bank Charges	80.20	51.21
Miscellaneous Expenses	114.16	86.42
Total	3,556.04	2,781.98

₹ in lakhs

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
(i) Details of payment to auditors		
Payments to the auditors comprises (net of tax):		
To statutory auditors'		
Statutory audit	12.50	12.50
Tax audit	2.50	2.50
Other Services	0.30	-
Total	15.30	15.00
(ii) Corporate Social Responsibility		
Amount required to be spent as per Section 135 of the Act	39.57	30.93
Amount spent during the year on		
(A) Construction/acquisition of an asset	-	-
(B) On purposes other than (A) above	5.30	12.88
Total	5.30	12.88
(iii) Research and Development Expenditure		
Expenditure incurred on Research and Development		
(A) Included in Employee benefit expenses	169.36	148.86
(B) Included in Other expenses	16.52	17.51
(C) Included in Capital work in progress	-	10.16
Total	185.88	176.53

26 Taxation

₹ in lakhs

a Income tax expense

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Current tax		
Current tax on profits for the year	1,082.74	728.87
Adjustments for current tax of earlier years	(12.61)	8.81
Total current tax expense	1,070.13	737.48
Deferred tax		
decrease/(increase) in deferred tax assets	(36.53)	(6.38)
(decrease)/increase in deferred tax liabilities		
Total deferred tax expense/(benefit)	(36.53)	(6.38)
Income tax expense	1,033.60	731.10

b Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

₹ in lakhs

Profit for the year	3,422.75	2,316.66
Statutory tax rate applicable to Shaily Engineering Plastics Limited	34.608%	34.608%
Tax expense at applicable tax rate	1,184.55	801.75
Tax effects of following in calculating taxable income:		
Additional deduction claimed under Income tax Act	(41.41)	(30.70)
Differential tax on Income of the year	-	(60.36)
Expenses not allowed as per Income tax Act	7.77	12.10
Effect of change in substantively enacted rate	(104.69)	-
Income tax expense	1,046.21	722.79

c Deferred tax liabilities

₹ in lakhs

The balance comprises temporary differences attributable to:

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Deferred tax liabilities:			
Difference between Accounting and Tax WDV (Cumulative)	691.91	691.25	684.02
Total deferred tax liabilities	691.91	691.25	684.02
Deferred tax assets:			
MAT credit entitlement	193.07	522.88	531.29
Adjustment on account of provision for expected credit loss	8.94	8.94	-
Other timing differences	68.44	56.50	51.82
Total deferred tax assets	270.45	588.31	583.11
Net deferred tax liabilities	421.47	102.94	100.91

d Movement in deferred tax balances

₹ in lakhs

Particulars	As at 1st April, 2016	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	Charged/ (credited) to equity	Adjusted to Tax Liability	As at 31st March, 2017
Deferred tax liabilities:						
Difference between Accounting and Tax WDV (Cumulative)	684.02	7.23	-	-	-	691.25
Total deferred tax liabilities	684.02	7.23	-	-	-	691.25
Deferred tax assets:						
MAT credit entitlement	531.29		-	-	8.41	522.88
Adjustment on account of provision for expected credit loss	-	(8.94)	-	-	-	8.94
Other timing differences	51.82	(4.67)	(8.24)	-	8.24	56.49
Total deferred tax assets	583.11	(13.61)	(8.24)	-	16.65	588.31
Net deferred tax liabilities	100.91	(6.38)	(8.24)	-	16.65	102.94

Particulars	FVOCI		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Shares of Panax Appliances Pvt. Ltd.	-	-	-
Shares of Citizen Co-operative Society Ltd	0.08	0.08	0.08
Shares of Co-operative Bank of Baroda	0.34	0.34	0.34
	0.42	0.42	0.42

b Fair value hierarchy

₹ in lakhs

Financial assets and liabilities measured at fair value -recurring fair value measurements

As at 31st March, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
Investment in Preference shares	5	-	-	19.98	19.98
Financial Investments at FVOCI					
Shares of Panax Appliances Pvt. Ltd.	5	-	-	-	-
Shares of Citizen Co-operative Society Ltd	5	-	-	0.08	0.08
Shares of Co-operative Bank of Baroda	5	-	-	0.34	0.34
Derivatives not designated as hedge		-	-	-	-
Total Financial Assets		-	-	20.40	20.40
Financial liabilities					
Derivatives not designated as hedge		-	-	-	-
Total Financial liabilities		-	-	-	-

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at 31st March, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Security Deposits	6			18.07	18.07
Total Financial Assets		-	-	18.07	18.07
Financial liabilities					
Borrowings	15	-	-	2,096.17	2,096.17
Total Financial liabilities		-	-	2,096.17	2,096.17

Financial assets and liabilities measured at fair value – recurring fair value measurements

As at 31st March, 2017	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
Investment in Preference shares	5	-	-	19.98	19.98
Financial Investments at FVOCI					
Shares of Panax Appliances Pvt. Ltd.	5	-	-	-	-
Shares of Citizen Co-operative Society Ltd	5	-	-	0.08	0.08
Shares of Co-operative Bank of Baroda	5	-	-	0.34	0.34
Derivatives not designated as hedge		-	-	-	-
Total Financial Assets		-	-	20.40	20.40
Financial liabilities					
Derivatives not designated as hedge		-	-	-	-
Total Financial liabilities		-	-	-	-

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at 31st March, 2017	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Security Deposits	6	-	-	20.71	20.71
Total Financial Assets		-	-	20.71	20.71
Financial liabilities					
Borrowings	15	-	-	1,596.79	1,596.79
Total Financial liabilities		-	-	1,596.79	1,596.79

Financial assets and liabilities measured at fair value -recurring fair value measurements

As at 31st March, 2016	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
Investment in Preference shares	5	-	-	19.98	19.98
Financial Investments at FVOCI					
Shares of Panax Appliances Pvt. Ltd.	5	-	-	-	-
Shares of Citizen Co-operative Society Ltd	5	-	-	0.08	0.08
Shares of Co-operative Bank of Baroda	5	-	-	0.34	0.34
Derivatives not designated as hedge		-	-	-	-
Total Financial Assets		-	-	20.40	20.40
Financial liabilities					
Derivatives not designated as hedge		-	-	-	-
Total Financial liabilities		-	-	-	-

Assets and liabilities which are measured at amortized cost for which fair values are disclosed

As at 31st March, 2016	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Security Deposits	6	-	-	20.67	20.67
Total Financial Assets		-	-	20.67	20.67
Financial liabilities					
Borrowings	15	-	-	3,039.90	3,039.90
Total Financial liabilities		-	-	3,039.90	3,039.90

For all the financial assets and liabilities referred above that are measured at amortised cost, their carrying amounts are reasonable approximations of their fair values.

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). There were no transfers between any levels during the year

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have a quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, preference shares and debentures which are included in level 3.

c Fair value technique

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of the financial instruments is determined using discounted cash flow analysis / Earnings / EBITDA multiple method.

All of the resulting fair value estimates are included in level 1 and 2 except for unlisted equity securities, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

d Valuation processes

The finance department of the company includes a team that performs the valuation of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to Chief Financial Officer.

The main level 3 inputs used by the Company are derived and evaluated as follows:

- Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from credit risk grading determined by the Company’s internal credit risk management group.
- For unlisted equity securities, their fair values are estimated based on the book values of the companies.

Significant changes in level 3 fair values are analysed at the end of each reporting period and presented before Audit Committee.

e Valuation inputs and relationships to fair value

100 basis points change in the unobservable input for unquoted equity instruments does not have a significant impact to its value.

29 Financial risk management

The Company’s business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company’s senior management has overall responsibility for the establishment and oversight of the Company’s risk management framework. The Company has constituted a Risk Management framework, through which management develops and monitors the Company’s risk management policies. The key risks and mitigating actions are also placed before the Board of directors of the Company. The Company’s risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities.

The Risk Management Framework of the Company is enforced by the finance team and experts of business division that provides assurance that the Company’s financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company’s policies and risk objectives. The activities are designed to:

- protect the Company’s financial results and position from financial risks;
- maintain market risks within acceptable parameters, while optimising returns; and

The finance department is responsible to maximise the return on companies internally generated funds.

a Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to wholesale customers including outstanding receivables.

₹ in lakhs

Ageing	Not due	0-090 days	091-180 days	181-270 days	271-360 days	More than 360 days	Total
Year ended 31st March, 2018							
Gross carrying amount	4,194.94	2,020.03	339.80	233.91	17.29	36.78	6,842.75
Expected loss rate	0.09%	0.20%	0.56%	1.63%	6.87%	30.58%	
Year ended 31st March, 2017							
Gross carrying amount	3,660.53	874.67	33.80	13.65	60.44	-	4,643.09
Expected loss rate	0.16%	0.68%	5.21%	16.34%	16.34%	66.67%	
Year ended 1st April, 2016							
Gross carrying amount	3,056.78	499.23	44.65	-	0.48	5.24	3,606.39
Expected loss rate	0.15%	0.62%	4.17%	20.03%	20.03%	80.00%	

b Management of credit risks

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited. This is due to the Company’s policy of strict credit worthiness tests it performs for all its sales. Company deals with limited number of customers with highest credit ratings. Company acts as institutional supplier to its customers without any channel distribution model. Most of the company products are plastic molded components, specially created as per the designs of its customer and are either semi finished goods or critical to business operations of its customers, making it business prudent for customers for not to dispute or delay payment of any receivable to the Company. All trade receivables are regularly reviewed and assessed for default on an ongoing basis.

c **Management of liquidity risk:**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company’s approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine the Company’s credit rating and impair investor confidence.

The following table shows the maturity analysis of the Company’s financial liabilities based on contractually agreed undiscounted cash flows as at the balance sheet date: ₹ in lakhs

	Carrying amount	Less than 12 months	More than 12 months	Total
As at 31st March, 2018				
Borrowings	10,622.98	8,545.66	2,077.32	10,622.98
Trade Payables	4,047.49	4,047.49	-	4,047.49
Deferred payment liabilities (Unsecured)	21.04	-	21.04	21.04
Unpaid dividends	1.88	1.88	-	1.88
Capital creditors	286.40	286.40	-	286.40
Trade/Security deposit received	3.00	-	3.00	3.00
	14,982.79	12,881.42	2,101.36	14,982.79
As at 31st March, 2017				
Borrowings	6,599.86	5,021.92	1,577.94	6,599.86
Finance Lease obligations	11.47	11.47	-	11.47
Trade Payables	1,996.70	1,996.70	-	1,996.70
Deferred payment liabilities (Unsecured)	21.04	-	21.04	21.04
Unpaid dividends	1.26	1.26	-	1.26
Capital creditors	73.82	73.82	-	73.82
Trade/Security deposit received	3.00	-	3.00	3.00
	8,707.15	7,105.17	1,601.98	8,707.15
As at 1st April, 2016				
Borrowings	6,516.53	3,601.10	2,915.43	6,516.53
Finance Lease obligations	42.89	31.42	11.47	42.89
Trade Payables	1,870.02	1,870.02	-	1,870.02
Deferred payment liabilities (Unsecured)	21.04	-	21.04	21.04
Unpaid dividends	0.68	0.68	-	0.68
Capital creditors	92.73	92.73	-	92.73
Trade/Security deposit received	2.00	2.00	-	2.00
	8,546.60	5,597.96	2,948.64	8,546.60

d **Management of market risks**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the value of a financial asset. The value of a financial asset may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including receivables, payables and borrowings denominated in foreign currency. The objective of the Management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the Management of, these risks is explained below:

e Foreign currency risk

The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised Financial assets and liabilities denominated in a currency that is not the functional currency ‘(INR) of the Company. The management does not undertake any hedging activities or otherwise to offset or mitigate the foreign currency and interest rate risk that it is exposed to. The Company undertakes significant of its foreign currency transaction in United States Dollar (‘USD’). To the extent of lower of exports and imports that the Company undertakes in USD, the Company has a natural hedge against the exposure to foreign currency risks.

As at 31st March, 2018	USD	EURO	JPY	GBP	MYR
Financial assets					
Trade receivable	16.28	0.16	-	-	-
Bank balance in EEFC accounts	0.41	-	-	-	-
Exposure to foreign currency assets	16.70	0.16	-	-	-
Financial liabilities					
Loans Taken	8.16	-	-	-	-
Trade payables	17.12	0.91	-	0.59	-
Net exposure to foreign currency risk liabilities	25.28	0.91	-	0.59	-
As at 31st March, 2017	USD	EURO	JPY	GBP	MYR
Financial assets					
Trade receivable	18.55	0.04	-	-	-
Bank balance in EEFC accounts	0.36	-	-	-	-
Exposure to foreign currency assets	18.90	0.04	-	-	-
Financial liabilities					
Borrowings	22.16	-	-	-	-
Trade payables	6.13	0.40	-	0.02	-
Net exposure to foreign currency risk liabilities	28.29	0.40	-	0.02	-
As at 1st April, 2016	USD	EURO	JPY	GBP	MYR
Financial assets					
Trade receivable	19.86	0.02	-	-	-
Bank balance in EEFC accounts	5.13	-	-	-	-
Exposure to foreign currency assets	24.99	0.02	-	-	-
Financial liabilities					
Borrowings	40.16	-	-	-	-
Trade payables	4.68	0.06	8.82	0.10	-
Net exposure to foreign currency risk liabilities	44.85	0.06	8.82	0.10	-

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises from above referred outstanding balances.

Impact on profit before tax		
	As at 31st March, 2018	As at 31st March, 2017
USD sensitivity		
INR/USD -Increase by 5%*	(27.96)	(30.43)
INR/USD -decrease by 5%*	27.96	₹ 30.43 in lakhs
Impact on profit after tax		

*Holding all other variables constant

The outstanding EURO, MYR, GBP, JPY denominated balance being insignificant has not been considered for the purpose of sensitivity disclosures.

f Interest rate risk

Interest rate risk arises on account of variable interest rate borrowings held by the company. The uncertainties about the future market interest rate of these borrowings exposes the company to the interest rate risk.

Currently, company does not hold any variable interest rate borrowing and therefore, the interest rate risk to which the company is exposed is perceived to be low.

g Risk Management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Company is based on management’s judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manages the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may borrow from external parties such as banks or financial institutions. The Company’s policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain shareholder, creditor and stakeholder confidence to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

h Dividend

₹ in lakhs

	As at 31st March, 2018	As at 31st March, 2017
i) Equity shares		
Final dividend for the year ended 31 March 2017 of ₹ 5 (31st March, 2016 -₹ 4) fully paid up	415.92	332.74
ii) Dividends not recognised at the end of the reporting period	623.88	415.92

In addition to above, directors have recommended a final dividend of ₹ 7.50 per fully paid up share. (31st March, 2017 ₹ 5). This proposed dividend is subject to the approval of shareholders in the ensuing general meeting.

30 Details of Government Grants

₹ in lakhs

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Government grants received by the Company during the year towards		
i.) Duty drawback (recognised under Export Incentive under Other revenue from operations)	8.87	10.85
ii.) Other incentives (Merchandise Exports from India Scheme and Focus Product Scheme the revenue of which has been recognised under Export Incentive)	4.88	448.65
iii.) Other Government Grant include grant received by the company in respect to investment made by the company in plant and equipment.		
A) Amount of grant received during the year	21.80	-
B) Amortised in statement of Profit and Loss	3.57	-
C) Unamortised portion of grant recorded as deferred income in current and non current liabilities	18.23	-

31 Segment revenue

Description

The company’s chief operating marision maker is the CFO who examines the company’s performance both from a product and geographic perspective and has identified single reportable segment of its business. The company is engaged in the business of manufacturing of injection molded plastic components which falls within a single business segment.

The Company operates as a single segment. The Company is engaged in the business of manufacturing of injection molded plastics components, moulds etc.,The segment revenue is measured in the same way as in the statement of profit or loss.

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

₹ in lakhs

Revenue from manufacturing	As at 31st March, 2018	As at 31st March, 2017
India	8,901.10	6,076.12
Outside India	22,002.04	19,131.92
Total Revenue from manufacturing	30,903.15	25,208.04

The amount of its non-current assets broken down by location of the customers is shown in the table below.

₹ in lakhs

Non-current assets*	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
India	11,771	10,393	10,009
Outside India	-	-	-
Total non-current assets	11,771	10,393	10,009

*Other than financial instruments and post-employment benefit assets.

The Company earns revenue from one major customer who individually contribute more than 10 percent of the Company’s revenue.

32 Related Party Transactions

a Details of related parties

Description of relationship	Names of related parties
Key Management Personnel	
Executive Chairman	Mr. Mahendra B. Sanghvi
Managing Director	Mr. Amit M. Sanghvi
Executive Director	Mr. Laxman B. Sanghvi
Whole Time Director	Mrs. Tilottama M. Sanghvi
Chief Financial Officer	Mr. Sanjay Shah (Up to 31st March 2018)
Other Related Parties	
Entities in which KMP / relatives of KMP have significant influence	Panax Appliances Pvt. Ltd.
Entities in which KMP / relatives of KMP have significant influence	Shaily-IDC India Pvt. Ltd.
Entities in which KMP / relatives of KMP have significant influence	Shaily Medical Plastics Pvt.Ltd.
Relative of key management personnel	Mrs.Kinjal S Bhavsar
Relative of key management personnel	Mrs. Kalpana L Sanghvi
Firm owned by relative of key management personnel	Jariwala Shah Kanji Raichand & Co

b Key management personnel compensation

₹ in lakhs

For the year ended 31st March, 2017	Short-term employee benefits	Post-employment benefits	Total
Mr. Mahendra B. Sanghvi	79.64	10.46	90.10
Mr. Amit M. Sanghvi	102.56	13.49	116.05
Mr. Laxman B. Sanghvi	53.46	7.01	60.47
Mrs. Tilottama M. Sanghvi	28.69	3.74	32.43
Mr. Sanjay Shah	26.00	3.77	29.77
For the year ended 31st March, 2018	Short-term employee benefits	Post-employment benefits	Total
Mr. Mahendra B. Sanghvi	113.60	14.95	128.55
Mr. Amit M. Sanghvi	113.60	14.95	128.55
Mr. Laxman B. Sanghvi	59.48	7.80	67.28
Mrs. Tilottama M. Sanghvi	28.69	3.74	32.43

Mr. Sanjay Shah	27.88	4.18	₹ in lakhs32.06
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c Transactions with related parties

Nature of Transaction	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Rent paid for lease arrangements		
Mrs. Tilottama M. Sanghvi	8.40	8.40
Jariwala Shah Kanji Raichand & Co	3.00	3.00
Interest paid on deposits		
Mr. Laxman B. Sanghvi	1.76	1.76
Mrs. Tilottama M. Sanghvi	-	1.84
Mrs Kalpana L Sanghvi	0.63	0.63
Mr. Mahendra B. Sanghvi	-	1.98
Remuneration		
Mrs Kinjal Bhavsar	13.29	12.02

d Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions;

	As at 31st March, 2018	As at 31st March, 2017
Receivables		
Shaily Medical Plastics Pvt Ltd.	9.50	10.00
Panax Appliances Pvt. Ltd (Investment)	38.94	38.94
Total receivables to related parties	48.44	48.94
Trade Payables		
Panax Appliances Pvt. Ltd "	20.03	20.03
Total payables to related parties	20.03	20.03

e Terms and conditions:

All outstanding balances are unsecured and are repayable/receivable in cash.

33 Contingent liabilities

₹ in lakhs

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
(a) Guarantees (Given to Central Excise & Customs for material sent for job work, to Madhya Gujarat Vij Co. as security deposit)	396.60	370.82	303.74
(b) Income Tax	42.48	2.46	2.46
(c) Sales Tax	5.74	5.74	5.74

The company has ongoing litigations related to central excise and service tax. The company has not disclosed the same as contingent liability considering the remote possibility of outflow of resources embodying economic benefits based on judgements received in favour of the company in past years.

34 Commitments

₹ in lakhs

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for:			
-Tangible assets	1,080.87	1,408.18	126.60

35 Events occurring after the reporting period

The Company assessed the event occurring after the reporting period through 14th May, 2018, the date the financial statements were available for issuance and determined that there were no additional material subsequent event requiring disclosure.

36 Earnings per share

	Year ended 31st March, 2018	Year ended 31st March, 2017
(a) Basic and diluted earnings per share		
Profit attributable to the equity holders of the Company	2,389.15	1,585.56
Total basic & diluted earnings per share attributable to the equity holders of the Company	28.72	19.06
(b) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	8318430	8318430

37 Offsetting financial assets and liabilities

The below note presents the recognised financial instruments that are offset or subject to enforceable master netting arrangements and other similar arrangements and other similar agreements, but not offset as at 31st March, 2018; 31st March, 2017; 1st April, 2016

Collateral against borrowings

The company has hypothecated / mortgaged financial instruments as collateral against a number of its borrowings. Refer note 38 (assets pledged) for further information on financial and non-financial collateral hypoticated.

38 Assets pledged as security

₹ in lakhs

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current (Present and Future)			
First charge for short term working capital loans from banks and second charge for long term borrowing			
Inventories	4,071.39	2,753.51	2,248.30
Trade receivables	6,816.93	4,617.27	3,606.39
Cash and cash equivalents	35.25	57.69	882.57
Bank balances other than cash and cash equivalents	333.43	308.16	433.82
Loans to employees	6.63	3.20	0.63
Prepaid expenses	88.39	101.32	69.44
Balances with government authorities	3,123.14	1,331.34	1,036.79
Advance recoverable in cash or kind for the value to be received	446.89	421.58	196.62
Interest accrued on deposits	3.33	4.78	13.16
Total current assets pledged as security	14,925.38	9,598.86	8,487.71

Non-Current

First charge for all term loans from banks			
Property, plant and equipment(with vehicles for 2017-18 & except vehicles for previous years)	10,637.02	9,223.60	9,556.63
Capital work-in-progress	575.53	309.50	-
Total	11,212.55	9,532.80	9,556.63
Second charge for short term working capital loans			
Property, plant and equipment(including vehicles)	10,637.02	9,376.55	9,688.96
Capital work-in-progress	575.53	309.50	-
Total	11,212.55	9,686.05	9,688.96
First charge for finance lease obligations			
Vehicles	-	152.96	132.34
Total	-	152.96	132.34

39 A) Disclosure as per Regulation 34(3) of SEBI (Listing Obligations and Discolsure Requirements) Regulations, 2015 and section 186(4) of the Companies Act, 2013

₹ in lakhs

Name of the party	Relationship	Nature	As at 31st March, 2018	As at 31st March, 2017
Shaily Medical Plastics Private Limited	Significant Influence	Outstanding Balance	9.50	10.00
		Maximum Balance Outstanding	10.00	10.00

The above advance has been given for business purpose

39 B) Disclosures under rule 16A of the Companies (Acceptance of Deposits) Rule 2014

₹ in lakhs

Particulars	As at 31st March, 2018	As at 31st March, 2017
Money received from Director during the year	-	25.00
Balance outstanding at the end of the year	13.85	18.85

40 Reconciliation of net cash flow to movement in net debt

₹ in lakhs

	As at 31st March, 2018
Net debt at beginning of year	5,311.50
Net increase in long-term loans	2,716.00
Net (increase in)/repayment of short-term loans	2,678.41
Net repayment of obligations under finance leases	-
Exchange adjustments	-
Other non-cash movements	-
Movement in net debt	5,394.41
Net debt at end of year	10,705.91

Analysis of changes in net debt	As at 31st March, 2017	Cash flow	Other	Exchange	Reclassification	As at 31st March, 2018
Cash and cash equivalents	57.69	(22.44)	-	-	-	35.25
Debt due within one year	(3,714.71)	(2,678.41)	-	-	-	(6,393.13)
Debt due after one year	(1,596.79)	(2,716.00)	-	-	-	(2,096.17)
Net debt	(5,253.81)	(5,416.85)	-	-	-	(8,454.06)

41 Note on Finance Leases

₹ in lakhs

The Company has entered into Purchase Agreements with its customers for various Moulds. The agreements with customers for these assets provide for take or pay arrangement as per which customers are committed to purchase committed quantity of the component from the company over definite period of time failing which customers are obliged to reimburse the company for the shortage in minimum committed quantity. This arrangement analysis pursuant to Ind AS 17 “Leases” identified an embedded finance lease and accordingly, the said arrangement has been accounted as per Ind AS 17

Amount receivable under Finance Lease

	Minimum Lease receivable			Present value of minimum lease payments		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Not later than one year	1,490.96	-	-	963.13	-	-
Later than one year and not later than five years	908.35	-	-	783.57	-	-
Later than five years	2,399.31	-	-	1,746.70	-	-
Unearned finance income	652.61	-	-	-	-	-
Present value of minimum lease payments receivable	1,746.70	-	-	1,746.70	-	-
Allowance for uncollectible lease payments						
	-	-	-	-	-	-
	1,746.70	-	-	1,746.70	-	-

The interest rate inherent in the leases is fixed at the contract for the entire lease term.

42 First-time adoption of Ind AS

A: Transition to Ind AS

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS balance sheet at 1st April, 2016 (the Company’s date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP or IGAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company’s financial position, financial performance and cash flows is set out in the following tables and notes.

A.1 Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS Optional Exemptions

A.1.1 Deemed Cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment (including capital work-in-progress) as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities, capital grant if applicable. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

A.2 Ind AS mandatory exceptions

The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

A.2.1 Estimates

An entity’s estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP.

- 1. Investments in Equity Instruments carried at FVTPL or FVOCI.
- 2. Impairment of Financial Assets based on expected credit loss model.

A.2.2. Classification and Measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS. The presentation requirements under previous GAAP differs from and hence the previous GAAP information has been restated for ease of reconciliation with Ind AS. The restated previous GAAP information is derived based on the audited financial statements of the company for the year ended 31st March, 2017 and 1st April, 2016.

Reconciliation of total equity as at 31st March, 2017 and 1st April, 2016 ₹ in lakhs

Particulars	Notes to first time adoption	As at 31st March, 2017	As at 1st April, 2016
Total equity (shareholder’s funds) as per previous GAAP		10,563.33	8,975.62
Adjustments:			
Adjustment of borrowings at amortised cost using effective interest rate method	C-4	(1.11)	(0.61)
Adjustment on account of provision for expected credit loss	C-3	(25.82)	-
Reversal of provision for dividends	C-5	-	400.47
Tax Implications on above		9.11	-
Total adjustments		(18.05)	400.87
Total equity as per Ind AS		10,544.99	9,376.49

₹ in lakhs

Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Notes to first time adoption	Year ended 31st March, 2017
Profit after tax as per previous GAAP		1,587.71
Adjustments:		
Adjustment on account of provision for expected credit loss	C-3	(25.82)
Adjustment of borrowings at amortised cost using effective interest rate method	C-4	(0.50)
Remeasurements of post-employment benefit obligations	C-1	23.82
Tax adjustment relating above		0.87
Profit after tax as per Ind AS		1,585.56
Other comprehensive income	C-1	(15.58)
Total comprehensive income as per Ind AS		1,569.98

There is insignificant change in the net cash flow from operating, investing or financing activities due to Ind AS adoption. Further, there is no change in the cash and cash equivalents for the purposes of statement of cash flows under previous GAAP and under Ind AS.

C: Notes to first-time adoption:

C.1. Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

C.2. Excise duty and Goods and Service Tax

Under previous GAAP, revenue from sale of products was presented exclusive of excise duty.

Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expense.

Consequent to introduction of Goods and Service tax (GST) with effect from July 01, 2017, Central Excise, Service Tax, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standard and Schedule III of the Companies Act, 2013, GST is not included in Revenue from operations. In view of the aforesaid restructuring of indirect taxes, Revenue from operations and Excise duty for the year ended March 31, 2018 are not comparable with the previous year. Following additional information is being provided to facilitate such comparison:

₹ in lakhs

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Revenue from operations	31,967.13	25,208.04
Less: Excise duty included in above	142.77	620.79
Revenue from operations net of Excise duty	31,824.36	24,587.25

C.3. Adjustment on account of provision for expected credit loss

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, the allowance for doubtful debts has been created.

C.4. Adjustment of borrowings at ammortised cost using effective interest rate method

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred.

C.5. Proposed dividend

Under previous GAAP, dividends on equity shares recommended by the Board of Directors after the end of the reporting period but before the financial statement were approved for issue were recognised in the financial statement as a liability. Under Ind AS, such dividends are recognised when declared by the members in the general meeting. The result of this change is increase in total equity as at 31st March, 2016 of ₹ 400 lakhs and has no impact on the on the financial statement for the year ended 31st March, 2017.

C.6. Investments

Under previous GAAP, long term investments were measured at cost less diminution in value which is other than temporary. Under Ind AS these financial assets which are in the nature of Equity instruments have been classified as FVOCI and assets other than Equity instruments have been classified as FVTPL. On the date of transition to Ind AS, these financial assets have been measured at fair value and there is no significant impact on the carrying value of asset on account of fair valuation.

C.7. Other comprehensive income

The concept of other comprehensive income did not exist under previous GAAP. Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as ‘other comprehensive income’ includes remeasurements of defined benefit plans and related tax impact.

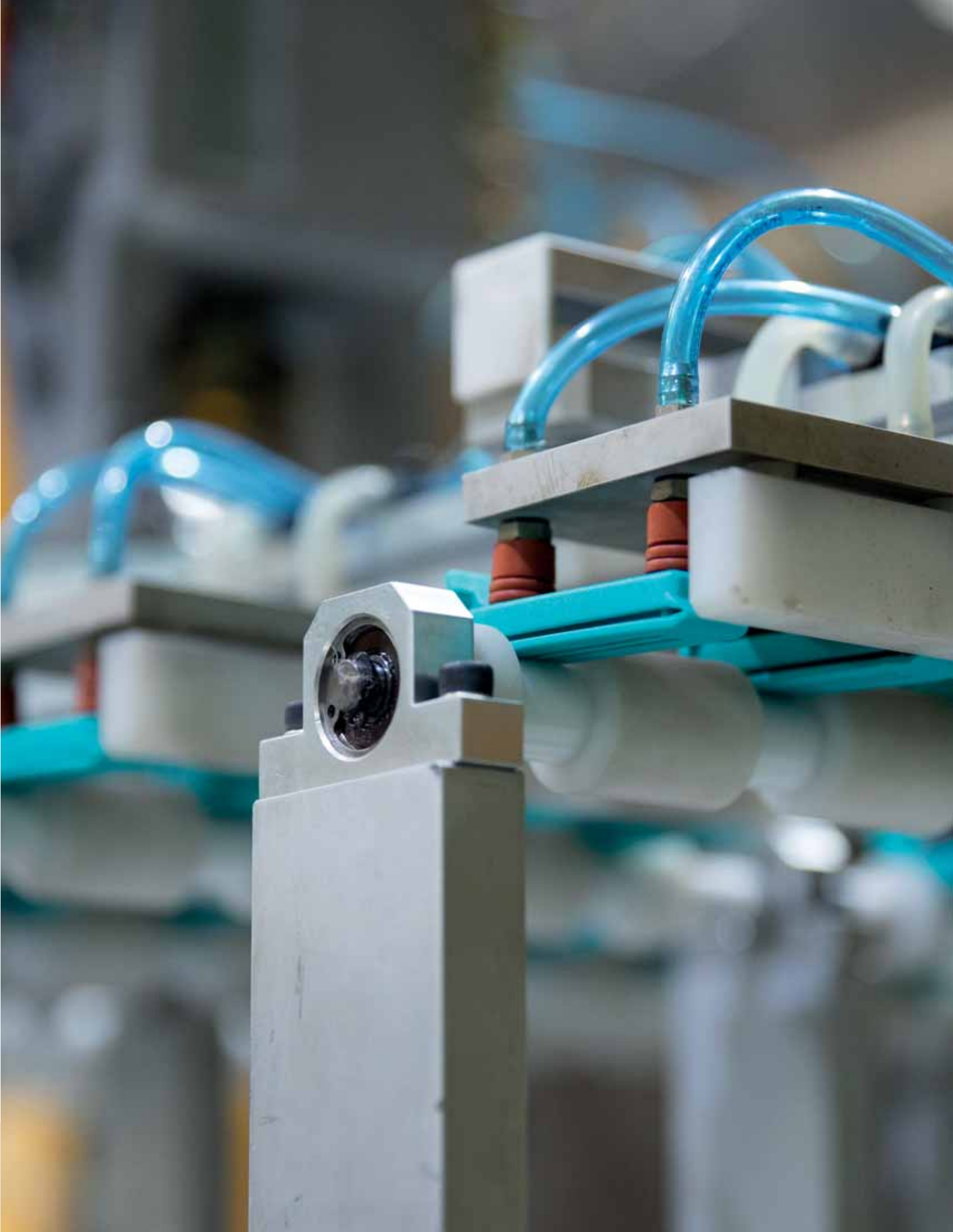
43 Comparative Figures

The previous years’ figures have been regrouped / re-arranged, where necessary, to conform to the current year’s disclosures/presentations

For and on Behalf of the Board of Directors

Amit Sanghvi Managing Director DIN 00022444	Laxman Sanghvi Executive Director DIN 00022977
Chintan Shah Chief Finance Officer	Preeti Sheth Asst. Company Secretary CS No. A36624

Vadodara, May 14, 2018



Notes

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