








**Shaily Engineering Plastics Limited**  
**37<sup>th</sup> Annual Report**  
**2016-2017**

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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 Shah	Independent Director

## Chief Financial Officer & Vice President – Finance

Mr. Sanjay Shah

## Asst. Company Secretary

Ms. Preeti Sheth

## Key Officials

Mr. S. K. Dash – Vice President -Operations  
 Mr. Ravindra Verma – Vice President - HR

## 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 Singhvi – Chairman  
 Mr. Laxman Sanghvi  
 Ms. Tilottama Sanghvi

## Auditors

### Statutory Auditors

M/s Deloitte Haskins & 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  
 YES Bank  
 Citibank N.A.

## Registrar & Share Transfer Agent

Bigshare Services Private Limited  
 1<sup>st</sup> Floor, Bharat Tin Works Building,  
 Opp. Vasant Oasis, Makwana Road,  
 Marol, Andheri East, Mumbai – 400 059  
 Web : [www.bigshareonline.com](http://www.bigshareonline.com) | Email : [investors@bigshareonline.com](mailto:investors@bigshareonline.com)

## Registered Office

Survey No. 364/366, At. & Po. Rania – 391 780, Ta. Savli, Dist. Vadodara – 391 780, Gujarat, India

## Plant Locations

Rania/EOU/Pharma Packaging Plant/ Finishing Division  
 Survey No. 363/364/366,  
 At. & Po. Rania – 391 780,  
 Ta. Savli, Dist. Vadodara  
 Gujarat, India

Halol Plant  
 Plot No. 706/707/708 , G.I.D.C.,  
 Halol - 389 350  
 Dist. Panchmahal,  
 Gujarat, India

# 5 YEAR FINANCIAL HIGHLIGHTS



[₹ in lacs]

2017	2016	2015	2014	2013
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## Sources of Funds

Share Capital	831.84	831.84	831.84	731.84	731.84
Reserves & Surplus	9731.49	8143.78	6995.05	3523.72	2865.17
Net-Worth	10563.33	8975.62	7826.90	4255.57	3597.02
Borrowings – Long Term	1615.75	3064.55	3274.74	3815.05	1513.81
Capital Employed	18024.90	16500.33	16936.59	11344.55	8675.22

## Income and Profits

Revenue	24974.81	22833.44	18125.88	15132.07	12339.71
EBIDTA	4443.83	4180.54	2803.48	2464.24	1760.70
Profit before Tax	2319.87	2141.50	1489.67	1024.09	505.96
Tax	732.16	592.30	188.79	365.54	143.82
Profit After Tax	1587.71	1549.20	1300.88	658.55	362.14
Dividend Per Share	**5.00	4.00	2.00	-	-
Retained Earnings	*1587.71	1148.73	1101.24	658.55	363.14

\*Considering No Dividend \*\*Proposed Dividend

## Others

Gross Fixed Assets	9774.14	9765.87	7763.26	4959.41	4497.49
Net worth per equity (₹)	126.99	107.90	94.09	58.15	49.15
Debt – Equity Ratio	0.63:1	0.75:1	1.06:1	1.55:1	1.28:1
Current Ratio	1.30:1	1.42:1	1.43:1	1.48:1	1.11:1
Shareholders (Nos.)#	3694	2430	435	232	234

# As on 31 March

## Board's Report

*Dear Members,*

Your Directors have pleasure in presenting their 37<sup>th</sup> Annual Report together with the Audited statement of Accounts for the year ended on 31<sup>st</sup> March, 2017.

### Financial Summary & Highlights

(₹ in lacs)

Particulars	FY 2016-17	FY 2015-16
Net Revenue from Operations	24,637.49	22,553.94
Other Income	337.32	279.50
<b>TOTAL REVENUE</b>	<b>24,974.81</b>	<b>22,833.44</b>
Total Expenses	20,530.97	18,652.90
<b>Profit before Interest, Depreciation &amp; Tax</b>	<b>4,443.84</b>	<b>4,180.54</b>
Finance Cost	788.53	1,013.45
Depreciation & amortization expense	1,335.43	1,025.59
<b>Profit before Tax</b>	<b>2,319.88</b>	<b>2,141.50</b>
Current Tax	720.63	458.54
Short provision in earlier years	8.81	-
Deferred Tax	2.73	134.65
Add : MAT Credit Entitlement	-	(0.89)
<b>Net Profit for the year</b>	<b>1,587.71</b>	<b>1,549.20</b>

### Dividend

Your Directors recommend dividend on equity shares of ₹ 5 per share i.e. 50 % for the financial year 2016-17.

### Operation & state of affairs :

The Company's total revenue has been Rs. 249.75 cr in the current year, an increase of 9.387% over last year.

- EBIDTA for the year has been ₹ 44.44 cr.
- Profit before Tax (PBT) for the year is ₹ 23.20 cr.
- PAT for the year is ₹ 15.88 cr.

The Company in this year participated at Global Events, namely CPhI Exhibition, Mumbai, Innopack Conference, Mumbai and PharmaPack Paris Exhibition.

### Management Discussion and Analysis

A report on Management Discussion and Analysis, as required in terms of Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this Report at **Annexure A**. Certain statements in the said report may be forward looking. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

### Directors

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Laxman Sanghvi, Executive Director, will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

The members approved the appointment of Mr. Dilip Shah as an Independent Director with effect from May 18, 2016.

The Board had at its meeting held on 20th May, 2017, re-appointed Mr. Amit Sanghvi as Managing Director and Ms. Tilottama Sanghvi as Whole Time Director for a period of three (3) years effective from 01/10/2017 & 01/06/2017 respectively, subject to approval of members at the 37th Annual General Meeting of the Company. The Board has also recommended revision in remuneration of Mr. Mahendra Sanghvi, Executive Chairman effective from 01/04/2017.

A brief resume of and particulars relating to the above directors is given in the Notice containing particulars of the 37th Annual General Meeting.

The Board recommends their re-appointment and revision in remuneration.

## 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, in accordance with Companies Act, 2013.

## Meetings of Board

A calendar of Meetings is prepared and circulated in advance to the Directors. Four Board Meetings were held during the financial year 2016-17. The details of the Board Meetings with regard to their dates and attendance of each of the Directors thereat have been provided in the Corporate Governance Report.

The intervening gap between the Meetings was within the period prescribed under Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 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.

## Meeting of Independent Directors

The Independent Directors met on May 18, 2016, to carry out the evaluation for the financial year 2016-17 and interalia, discussed the following :

- Evaluation of the 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 and reasonably perform its duties.

Mr. Sarup Chowdhary was not present at the Meeting.

## 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](http://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](http://www.shaily.com))

## 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 Board approved the evaluation results as collated by the nomination & remuneration committee.

## Related Party Transactions

Related party transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business. There are no materially significant related party transactions made by

the Company which may have potential conflict with the interests of the Company.

There are no material related party transactions, which are not in ordinary course of business or which are not on arm's length, hence there is no information to be provided as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website ( [www.shaily.com](http://www.shaily.com) )

## 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 2016-17.

## Loans, Guarantees or Investments

Particulars of Loans, guarantees or investments covered under section 186 of the Companies Act, 2013 form part of the notes to the financial statement.

## 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**.

## Auditors

### a. Statutory Auditors

In compliance with the Companies (Audit and Auditors) Rules, 2014, M/s Deloitte Haskin & Sells., Chartered Accountants, have been appointed as Statutory Auditors of the Company till the conclusion of Annual General Meeting for F.Y. 2017-18, as approved by the members at their Annual General Meeting held on 02<sup>nd</sup> August, 2016.

Pursuant to the requirement of Section 139 of the Companies Act, 2013, the appointment of Statutory Auditors is to be ratified by the members at every Annual General Meeting. Members are requested to ratify their appointment for F.Y. 2016-17.

### b. Secretarial Auditors

The Board of Directors of the Company appointed M/s Samdani Shah & Kabra, Company Secretaries, Vadodara, to conduct Secretarial Audit of the Company for F.Y. 2016-17.

The Secretarial Report of M/s Samdani Shah & Kabra, Company Secretaries for the financial year ended 31<sup>st</sup> March, 2017, is annexed at **Annexure F**.

### c. Auditor's certificate on corporate governance

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, auditors certificate on corporate governance is enclosed as with the Corporate Governance Report. The report does not contain any qualification, reservation or adverse remark.

### d. Cost Auditors

M/s Y.S. Thakar & Co., Cost Accountants, Vadodara, were appointed as Cost Auditors to carry out the audit of cost records of the Company for the Financial Year ending on 31<sup>st</sup> March, 2017. Based upon the declaration on their eligibility, consent and terms of engagement, your Directors have appointed them and recommend the ratification of remuneration to be paid to the Cost Auditors for F.Y. 2017-18.

### e. Internal Auditors

The Board of Directors have appointed M/s Shah Jain & Hindocha, Chartered Accountants as Internal Auditors of the Company for F.Y. 2017-18.

There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors in their report or by the Secretarial Auditor in their Secretarial Audit Report and hence no explanation or comments of the Board is required in this matter.

## Listing of shares

The Equity shares of the Company are listed on the BSE Ltd. (BSE) with scrip code 501423. The Company confirms that the annual listing fees to the stock exchange for the F.Y. 2017-18 has been paid.

## 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.

## Vigil Mechanism

The Company has a well-defined “Whistle Blower Policy” and has established a robust for 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. ([www.shaily.com](http://www.shaily.com))

## Internal financial control

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.

## 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.

## 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 2016-17, 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](http://www.shaily.com))

## Policy on Nomination & Remuneration

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)). There has been no change in the policy since the last fiscal 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.

## 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.



The Report on Corporate Governance as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

## Extract of Annual Return

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return of the Company for the financial year ended 31<sup>st</sup> March, 2017, in the prescribed format is annexed at **Annexure D**.

## 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 D**.

## 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.

## Policy for determining materiality for disclosures

The Company has in line with the SEBI Listing Regulations, 2015, devised a policy which applies to disclosure of material events affecting the Company. This policy deals with dissemination of unpublished, price-sensitive information. The policy can be viewed on weblink; <http://www.shaily.com/investors-details.aspx?id=10>

## Policy on Records and Archive Management

Devised in line with the requirements under SEBI Listing Regulations, 2015, this policy deals with the retention and archival of corporate records of the Company. The policy can be viewed at our website [www.shaily.com](http://www.shaily.com) on weblink; <http://www.shaily.com/investors-details.aspx?id=10>

## Orders passed by the Regulators or the Courts or the Tribunals.

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.

## 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 31<sup>st</sup> March, 2017. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

## 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 31<sup>st</sup> March, 2017, 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*

Vadodara  
May 20, 2017

**Mahendra Sanghvi**  
*Executive Chairman*

**Amit Sanghvi**  
*Managing Director*

## 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 has 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 economy has gained momentum in fourth quarter of 2016 and the momentum is expected to persist in the current year as well. Global economic growth is expected to increase from an estimated 3.1% in 2016 to 3.5% in 2017 and 3.6% in 2018. The forecast envisages rebound in advanced economies as well as notable pick up in emerging economies. In advanced economies, projected growth has been revised upward in the US, reflecting fiscal policy easing which is expected to reinforce the cyclical momentum. The outlook has also improved for Europe & Japan based on a cyclical recovery in global manufacturing and trade that started in the second half of 2016. However, outlook for some of the emerging market economies like Latin America and middle east remains weak because decline in trade in recent years, oil production cuts etc.

Growth in India is expected to be at 7.2% in 2017. The growth was trimmed by 40 bps points compared to earlier projection because of demonetization which has had an impact on consumption. However medium term growth prospects are favorable due to implementation of key policy reforms and appropriate fiscal and monetary policies.

### Indian Plastics 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 FY15. The industry is expected to grow at 10.5% CAGR from FY15 to FY20 to reach 22 MMPTA. 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. Consequently, higher investments in these sectors will drive the demand for plastics.

### Snapshot of India

Estimated size of plastic processing in value (FY15)	Rs 1 Lakh Crore
Market size in volume (FY15)	13.4 MMPTA
Processing Units	> 30,000
Technical manpower (as per CIPET)	11 Lakh employees
Growth Rate	10-11%
Per Capita Plastic Consumption	11 Kg (World: 28 Kg)

### Plastic product demand growth drivers

#### Infrastructure:

Infrastructure is a key growth driver for Indian economy. It is responsible for pushing India's overall development and hence it is a center of all key policy reforms. As per 12<sup>th</sup> five-year plan, India has committed USD 1 trillion in upgrading its infrastructure like Power, Telecom, Roads, Irrigation, Railway, Oil & Gas and others. These huge investments in infrastructure will result in making India a hub for PVC and CPVC product manufacturing leading to growth in plastics processing sector.

### Packaging:

The packaging industry in India is one of the fastest growing industries which has influence on other industries, directly or indirectly. Indian packaging industry has registered a CAGR of 15% in the last five years. India's per capita packaging consumption is 4.3 Kg which is lower than countries like Taiwan and China with per capita consumption of 6 Kg and 19 Kg respectively, which clearly indicates under-penetration and provides growth opportunity for Indian plastics packaging industry. Increased presence of global multinational companies has boosted the demand in the processed food, beverages, cosmetics and pharmaceutical space etc which has increased demand of packaging of the products. Also because of change in lifestyle, people are buying more branded products and hence packaging plays an important role in creating and sustaining brand equity.

### Automotive:

Indian auto industry is one of the largest in the world and growing at a considerable rate. Lot of multinational companies are on the verge of entering Indian auto segment in the next 5 years. With growing population, increase in per capita income, declining interest rates is expected to fuel growth for the Indian auto industry. Hence with positive outlook for auto industry, the potential for plastic industry remains robust.

### Electronics:

The Indian electronics market is one of the largest in the world. The main drivers for demand for the usage of Indian electronic products abroad are technological improvements and cost competitiveness. The demand for electronics has grown at an estimated 16% in the past five years. 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.

### Key Government initiatives which would drive the growth for the sector

- Housing for all by 2022 – Aimed at slum rehabilitation, promotion of affordable housing.
- Swachh Bharat Mission – Aimed at open defecation through construction of toilets

- Amrut – To provide basic services to households and build amenities e.g. assured supply of drinking water

### Outlook for the sectors, we operate in :

#### Pharma medical devices

The global insulin pen market across 10 major markets in the world is expected to touch USD 12 bn by 2022. Market growth can be attributed to growing diabetes patient population, high adoption rate, user friendly designs and technological advances in the field of insulin pen devices. As per IDF (International diabetes Federation) there will be 642 mn people with diabetes in the world in 2040 from 415 mn in 2015. The reasons attributed for rise in diabetes patients are lack of exercise, unhealthy eating habits, smoking etc. United states are expected to lead the insulin pen market with market share of over 20% by 2022 followed by China and Japan.

<http://www.prnewswire.com/news-releases/global-insulin-pen-market-2017-2022--market-is-likely-to-reach-more-than-us-12-billion-across-the-ten-major-markets-10mm-by-the-year-end-of-2022---research-and-markets-300452159.html>

<http://formularyjournal.modernmedicine.com/formulary-journal/content/tags/diabetes/global-insulin-devices-market-reach-139-billion>

The global respiratory inhaler market is expected to grow by CAGR of 4.3% from current USD 30 bn. Rapid Industrialization across globe has led to increase in environmental pollution which is a major source of respiration related diseases like Asthma and COPD (chronic obstructive pulmonary disease). The global respiratory market is on a high pace because of rise in number of people with respiration related disorders.

<http://www.researchnester.com/reports/respiratory-inhaler-device-market-global-demand-analysis-opportunity-outlook-2023/202>

#### Pharmaceutical packaging

The pharmaceutical industry is witnessing a strong growth over the years. With changing lifestyle, more and more people across the globe are being diagnosed with various diseases. With increase in spending by governments of different countries over healthcare, the importance of

pharmaceuticals as a sector has been increasing. Pharmaceutical manufacturers must follow certain stringent regulation while manufacturing to protect consumer safety at one end and must also comply with environmental regulations at the other side. These regulatory norms have been putting pressure on pharmaceutical manufacturers to comply with regulations which has become a driving force of pharmaceutical packaging market. The rise in self-medication and over-the-counter products is also contributing to the growth of this industry.

The pharmaceutical packaging market is evolving; the introduction of innovative techniques like Blow-Fill-Seal technology and the increasing need for anti-counterfeiting technologies are changing the market drastically. The increasing globalization has resulted in the setting up of manufacturing plants across the world thereby changing the raw materials used and lengthening the supply chains.

<https://www.mordorintelligence.com/industry-reports/pharmaceutical-packaging-market-industry>

The demand for pharmaceutical packaging products is expected to rise 6.3% annually to USD 104 bn in 2022. expansion of the generic market, technological advancement, and strict governmental regulations for conventional packaging are major factors that drive the market growth. Investments and innovations in R&D activities propel the market players to initiate manufacturing projects in eco-friendly and biodegradable packaging, which is expected to surge in near future. In addition, patent expiration of various medicated drugs is expected to fuel the pharmaceutical packaging market during the period

<https://www.freedoniagroup.com/industry-study/world-pharmaceutical-packaging-3269.htm>

<https://www.serializationcountdown.com/trends-and-issues/traceability-and-authentication/predicting-future-global-pharmaceutical-packaging>

### Home furnishing opportunity

One of the biggest home furnishing giant recently has made some announcements. They source 318 mn Euros of products from India as of now and they are planning it to make It almost double i.e 600 mn Euros by 2020. They are also planning to open 25 stores in India by 2025 at an investment of Rs 105 bn. The first store is expected to come in Hyderabad

and company has been in a process of identifying sites in Delhi- NCR, Bengaluru, Tamil Nadu and Gujarat. With a built-up space of about 4.3 lakh sq ft, the Navi Mumbai store will have over 9,500 home furnishing products as well as an in-store restaurant. We believe this is a huge opportunity for us.

[http://www.business-standard.com/article/companies/ikea-to-double-local-sourcing-by-2020-open-store-in-navi-mumbai-117042300256\\_1.html](http://www.business-standard.com/article/companies/ikea-to-double-local-sourcing-by-2020-open-store-in-navi-mumbai-117042300256_1.html)

### Performance of the Company for FY17

- The company reported Consolidated revenue of Rs 249.75 cr in FY17, up from Rs 228.33 Crores in the last year, i.e. a growth of 9.35 % YoY.
- The company reported Consolidated EBITDA of Rs 41.81 cr in FY17, up from Rs 41.81 Crores in the last year, i.e. a growth of 6.29% YoY.
- Consolidated Profit before tax (PBT) came in at Rs. 23.20 Crores during the year, up from Rs. 21.42 Crores in the last year, i.e. a growth of 31%.
- The company reported Consolidated Profit after Tax of Rs 15.88 cr in FY17, up from Rs 15.49 Crores in the last year, i.e. a growth of 2.52% YoY.

### Key developments during the year

- Rs 60 cr order received from European Home furnishing major, supplies would start from September 2017.
- The company has increased the business with Gillette with doubling capacity.
- The company has been awarded new business from a Global Pharma major for development and supply of new range of ophthalmic packaging for regulated markets.
- Business confirmation received for manufacturing and supply of packaging for one of the largest Global Skin Care Brand.
- Business confirmation received for a high-end plastic component from a domestic auto ancillary for supply to India's largest Automotive company.

- Molds received in November'16 for manufacture and supply of household brushes from a large European Homes Furnishing major.
- New Business Confirmation received for manufacturing of Device for Dermatology Application from Global Company.
- New Business Confirmation received for manufacturing of Device for Skin Care Application from Global Company.
- New packaging business confirmed with one of the largest FMCG company for their largest selling brand in India

One of the reasons for great popularity of plastics is due to tremendous range of properties exhibited by them because of their ease of processing. Hence, the plastic consumption is on rise.

Consumption of plastics is expected to increase in the fields of pharmaceuticals, packaged foods, Home furnishing market which offer a great opportunity for company like us. Over the years, we have built up capacities and hence are in a better position to benefit from these growth factors.

We believe that over the years because of change in lifestyle, globalization humans are prone to many respiratory as well as other diseases, which would trigger the demand for medical devices. This provides a humongous opportunity for a company like us. This coupled with rise in home furnishing opportunities in India, we believe that we have an exciting journey ahead.

## Outlook on opportunities

The Indian economy is on a growth path because of key policy reforms taken place in the last 2-3 years. The Electronics, Automobile, Packaging, Healthcare, Consumer Durables and Telecommunication are fast growing sectors of Indian economy offering good growth opportunity for plastic consumption in the country.

*For and on behalf of the Board*

Vadodara  
May 20, 2017

*Mahendra Sanghvi*  
Executive Chairman

## Annexure B

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

#### (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.

#### (ii) Steps taken for utilizing alternate sources of energy :

Company has started using renewable power from a biomass power producer for part of its power requirements.

#### (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.

### (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.

##### Technology absorption, adaption and innovation :

The Company has manufactured varied plastic components of international standard/quality, which are import substitutes for diverse applications.

#### (ii) Benefits derived like product improvement, cost reduction, product development or import substitution :

The Company has through its own research and development activities, developed several dies and moulds; which serves as an import substitution.

Such varied plastic components of international standard/quality, are import substitutes for diverse applications.

#### (iii) Information regarding technology imported, during last 3 years : Nil

#### (iv) Expenditure incurred on Research & Development :

(₹ in lacs)

Particulars	F.Y. 16-17
Capital	10.16
Recurring	166.37
<b>Total</b>	<b>176.53</b>

### (C) Foreign Exchange Earnings and Outgo

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:

(₹ in lacs)

Foreign Exchange	F.Y. 16-17
Earnings (Inflow)	18,650.38
Expenditure (Outgo)	6,704.61
<b>Total</b>	<b>25,354.99</b>



## Annexure C

### Annual Report on CSR Activities to be included in the Board's Report

1. 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 :

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

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

2. 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

3. 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 ₹ 1546.62 lacs.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) : ₹ 30.93 lacs.

5. Details of CSR spent during the financial year :

- a. Total amount to be spent for the financial year : ₹ 30,93,240/-
- b. Amount unspent, if any : ₹ 18,05,125/-

6. 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	Amount spent : Direct or through Implementing Agency (IA)
1	Donation of Computers to a Deaf & Dumb children school	Special Education for differently abled children	Godhra, Gujarat	Single Program	₹ 53,760/-	₹ 53,760/-	Direct



2	Donation of Computers to Bhairav Ni Muvadi, Primary School.	Education	Kalol	Single Program	₹ 53,760/-	₹ 53,760/-	Direct
3	Donation of Computers at Devnagar Primary School, Savli	Education	Savli (Local)	Single Program	₹ 53,760/-	₹ 53,760/-	Direct
4	Donation of "R. O . System " at Devnagar Primary School.	Safe drinking water	Savli (Local)	Single Program	₹ 21,100/-	₹ 21,100/-	Direct
5	Donation of "R. O . System " at Bhadarwa Kanya Shala	Safe drinking water	Bhadarwa (Local)	Single Program	₹ 20,700/-	₹ 20,700/-	Direct
6	Donation of School Shoes at Rania Primary School	Reducing inequality faced by economically backward group/Education	Rania (Local)	Single Program	₹ 56,260/-	₹ 56,260/-	Direct
7	Women Empowerment Training Program imparted to women of nearby villages	Empowering women	Savli (Local)	Single Program	₹ 240,000/-	₹ 240,000/-	Through IA - JumpStart Skill Foundation
8	Contribution towards vehicle for transportation of handicapped children to school	Education	Vadodara	Single Program	₹ 376,000/-	₹ 376,000/-	Through IA - Arpan Charitable Trust, Vadodara
9	Donation of R. O . System at Govt. Primary schools	Safe drinking water	Savli	Single Program	₹ 262,775/-	₹ 262,775/-	Direct
10	Donation for children with Autism, Down's syndrome, Cerebral Palsy, Deaf-blindness, Mental Retardation and other Developmental disabilities	Medical & Education for differently - abled children	Vadodara	Single Program	₹100,000/-	₹100,000/-	Through IA - Disha Charitable Trust, Vadodara
11	Promoting education, including special education and employment enhancing vocation skills to children with multiple disabilities.	Education & vocational skills for differently - abled children	Vadodara	Single Program	₹ 50,000/-	₹ 50,000/-	Through IA - Arpan Charitable Trust, Vadodara

## 7. Amount unspent : ₹ 18.04 lacs

### Explanation :

- i. It was planned to provide financial support to orphanages on occasion of Dipawali. However, the trust refused the same and the noble cause was accepted in terms of 'sweets'.
- ii. It was planned to provide medical support to nearby village community by arranging 'Free Medical Check-up camp'. However, the camp could not be arranged due to unavoidable circumstances.
- iii. It was planned to donate about 50 'R. O. Systems' to Govt. Primary schools at Savli & Halol for school children under the project of 'Clean Drinking Water' but test reports for bore well water were recorded late and hence, delay took place and the plan could not be executed.

- iv. It was planned to conduct class room training sessions on 'Self-awareness (Hygiene & Sanitation, Attitude, Civic sense, Ownership towards work etc.)' in Govt. Primary Schools at Savli for students. However, the appointment of instructors could not be accomplished and hence, the plan could not be executed.

As a result, the CSR budget could not be utilised in full in the F.Y. 2016-17. 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.

## 8. 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.

Vadodara  
May 20, 2017

P R Singhvi  
Chairman - CSR Committee

Amit Sanghvi  
Managing Director

## Annexure D

### Form MGT-9

### Extract of Annual Return

As on financial year ended on 31<sup>st</sup> March, 2017

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

#### I. 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. 364/366, At & Po. Rania, Ta. Savli, Dist.- Vadodara-391780, Gujarat, India Ph : +91 2667 244307   Fax : +91 2667 244372 Web : <a href="http://www.shaily.com">www.shaily.com</a>
vi)	Whether Listed Company	Yes
vii)	Name, address and contact details of Registrar & Share Transfer agent, if any	Bigshare Services Pvt. Ltd. 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400 059 Ph : +91 22 6263 8200 Web : <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>

#### II. 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%

#### III. Particulars of Holding, Subsidiary and Associate Companies :

The Company has no holding, subsidiary or associate company.

#### IV. Shareholding Pattern (Equity Share Capital break up as percentage of total equity) :

##### i) Category – wise shareholding :-

Category of Shareholders	No. of shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual HUF	3116820	427172	3543992	42.60%	3274640	0	3274640	39.37%	-3.24%
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/FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Sub Total (A)(1):-</b>	<b>3116820</b>	<b>427172</b>	<b>3543992</b>	<b>42.60%</b>	<b>3274640</b>	<b>0</b>	<b>3274640</b>	<b>39.37%</b>	<b>-3.24%</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	582267	373584	955851	11.49%	1225203	0	1225203	14.73%	3.24%
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/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>Sub Total (A)(2):-</b>	<b>582267</b>	<b>373584</b>	<b>955851</b>	<b>11.49%</b>	<b>1225203</b>	<b>0</b>	<b>1225203</b>	<b>14.73%</b>	<b>3.24%</b>
<b>Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>3699087</b>	<b>800756</b>	<b>4499843</b>	<b>54.09%</b>	<b>4499843</b>	<b>0</b>	<b>4499843</b>	<b>54.09%</b>	<b>0.00%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	450000	0	450000	5.41%	674596	0	674596	8.11%	2.70%
b) Banks/FI	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	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	0	0	0	0	0
h) Foreign Venture	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Alternate Investment	0	0	0	0	35374	0	35374	0.43%	0.43%
<b>Sub Total (B)(1):-</b>	<b>450000</b>	<b>0</b>	<b>450000</b>	<b>5.41%</b>	<b>709970</b>	<b>0</b>	<b>709970</b>	<b>8.53%</b>	<b>3.13%</b>

Category of Shareholders	No. of shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>1. Non-Institutions</b>									
a) Bodies corp.									
i) Indian	252922	0	252922	3.04%	1249337	0	1249337	15.02%	11.98%
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals/HUF									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lac	512354	39700	552054	6.64%	621730	25400	647130	7.78%	1.14%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	2515678	0	2515678	30.24%	1156748	0	1156748	13.91%	-16.34%
c) Others (specify)									
c-i) Clearing Member	17191	0	17191	0.21%	15106	0	15106	0.18%	-0.03%
c-ii) Non-Resident Indian (NRI)	17366	0	17366	0.21%	30436	0	30436	0.37%	0.16%
c-iii) Non-Resident Indian - Repat	20	0	20	0.00%	607	0	607	0.01%	0.01%
c-iv) Non-Resident Indian - Non-Repat	9399	0	9399	0.11%	8453	0	8453	0.10%	-0.01%
c-iv) NBFC	3957	0	3957	0.05%	800	0	800	0.01%	-0.04%
<b>Sub total (B)(2) :-</b>	<b>3328887</b>	<b>39700</b>	<b>3368587</b>	<b>40.50%</b>	<b>3083217</b>	<b>25400</b>	<b>3108617</b>	<b>37.37%</b>	<b>-3.13%</b>
<b>Total Public Shareholding (B) = (B)(1) +(B)(2)</b>	<b>3778887</b>	<b>39700</b>	<b>3818587</b>	<b>45.91%</b>	<b>3793187</b>	<b>25400</b>	<b>3818587</b>	<b>45.91%</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A + B + C)</b>	<b>7477974</b>	<b>840456</b>	<b>8318430</b>	<b>100.00%</b>	<b>8293030</b>	<b>25400</b>	<b>8318430</b>	<b>100.00%</b>	<b>0.00%</b>

## ii) Shareholding of Promoters

Details of shareholding of promoters

Sr. No.	Shareholder's Name	Shareholding at beginning of the year (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% 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	829875	9.98%	0	902535	10.85%	0	0.87%
2	Laxman Sanghvi	501924	6.03%	0	526424	6.33%	0	0.29%
3	Tilottama Sanghvi	898490	10.80%	0	914150	10.99%	0	0.19%

Details of shareholding of persons and entities of promoter group

Sr. No.	Shareholder's Name	Shareholding at beginning of the year (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% 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	Sanghvi Amit Mahendra	60000	0.72%	0	60000	0.72%	0	Nil
2	Jayesh Mohanlal Shah	679838	8.17%	0	759838	9.13%	0	0.96%
3	Lax Nagda	408702	4.91%	0	408702	4.91%	0	Nil
4	Bharat Bhogilal Sanghvi	353584	4.25%	0	358084	4.30%	0	0.05%
5	Shaily Mahendra Sanghvi	247320	2.97%	0	140000	1.68%	0	-1.29%
6	Vanita L Nagda	173565	2.09%	0	173565	2.09%	0	Nil
7	Rajen Bharat Sanghvi	75426	0.91%	0	75426	0.91%	0	Nil
8	Kalpna Sanghvi	75300	0.91%	0	75300	0.91%	0	Nil
9	Rashmi Sanghvi	69426	0.83%	0	69426	0.83%	0	Nil
10	Purnima Mohanlal Shah	13500	0.16%	0	13500	0.16%	0	Nil
11	Ramesh H Shah	13500	0.16%	0	13500	0.16%	0	Nil
12	Gunvantiben Bhogilal Sanghvi	7000	0.08%	0	7000	0.08%	0	Nil
13	Sonal Jayesh Shah	2393	0.03%	0	2393	0.03%	0	Nil

## iii) Change in Promoter's holding

	Shareholding at beginning of the year		Shareholding at the end of the year	
	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%	4499843	54.09%

\*There was no change in the Promoter's shareholding during the financial year 2016-17.

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

Sr. No.	Name	Shareholding at the beginning (01.04.2016)		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Ashish Kacholia	1,000,000	12.02%	During the financial year	(1,000,000)	Decrease	0	0
2	DSP Blackrock Emerging Stars Fund	450,000	5.41%	During the financial year	224596	Increase	674,596	8.11%
3	Bengal Finance & Investment Ltd	0	0	During the financial year	600,000	Increase	600,000	7.21%
4	Narendra Kumar Agrawal	501,583	6.03%	During the financial year	(101,583)	Decrease	400,000	4.81%
5	Mukul Mahavir Prasad Agrawal	484,030	5.82%	-	-	-	484,030	5.82%
6	Suryavanshi Commotrade Pvt. Ltd.	0	0	During the financial year	400,000	Increase	400,000	4.81%
7	Mukul Mahavir Agrawal	150,000	1.80%	-	-	-	150,000	1.80%
8	Bang Securities Pvt. Ltd.	126,631	1.52%	During the financial year	(23,580)	Decrease	103,051	1.24%
9	Swati Sanjay Shah	92,500	1.11%	During the financial year	(80,000)	Decrease	12,500	0.15%
10	Alpana Shah Parida	85687	1.03%	During the financial year	(30,890)	Decrease	54797	0.66%
11	Arun Subrahmanyam	40000	0.48%	During the financial year	10000 (50000)	Increase Decrease	0	0
12	SMC Global Securities Ltd.	500	0.01%	During the financial year	29540	Increase	30040	0.36%
13	Shreekant Varun Phumbra	29000	0.35%	During the financial year	(29,000)	Decrease	0	0
14	Sankaranarayanan Sangameswaran	0	0	During the financial year	22733	Increase	22733	0.27%

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

## v) Shareholding of Directors and Key Managerial Personnel

Sr. No	Name	Designation	Shareholding at the beginning of the year		Change during the year		Shareholding at the end of the year	
			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	829,875	9.98%	72,660	0.87%	902535	10.85%
2	Laxman Sanghvi	Executive Director	501924	6.03%	24500	0.29%	526424	6.33%
3	Tilottama Sanghvi	Whole Time Director	898490	10.80%	15660	0.19%	914150	10.99%
4	Amit Sanghvi	Managing Director	60000	0.72%	0	0.00%	60000	0.72%
5	Sarup Chowdhary	Independent Director	0	0	0	0	0	0
6	Pushp Raj Singhvi	Independent Director	0	0	0	0	0	0
7	Milin Mehta	Independent Director	0	0	0	0	0	0
8	Dilip Shah	Independent Director	0	0	0	0	0	0
9	A S Anandkumar*	Independent Director	0	0	NA	NA	NA	NA
10	Sanjay Shah	CFO & Vice President - Finance	22500	0.27%	0	0.00%	22500	0.27%
11	Preeti Sheth	Asst. Company Secretary	0	0	1	0.00%	1	0.00%

\*Mr. A S Anandkumar ceased to be a Director effective from 19.05.2016.

## V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	(₹ in lacs)			
	Secured Loan excluding deposits	Unsecured Loan	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	6584.07	21.04	113.00	6718.11
ii) Interest due but not paid				
iii) Interest accrued but not due	16.30	0.00	0.00	16.30
<b>Total (i+ii+iii)</b>	<b>6600.37</b>	<b>21.04</b>	<b>113.00</b>	<b>6734.41</b>
<b>Change in indebtteness during the financial year</b>				
Addition	1919.28	0.00	0.00	1919.28
Reduction	1878.91	0.00	94.15	1973.06
<b>Net Change</b>	<b>40.38</b>	<b>0.00</b>	<b>-94.15</b>	<b>-53.77</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	6630.29	21.04	18.85	6670.18
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
<b>Total (i+ii+iii)</b>	<b>6640.75</b>	<b>21.04</b>	<b>18.85</b>	<b>6680.64</b>



## VI. Remuneration of Directors and Key Managerial Personnel

### A. Remuneration to Managing Director, Whole Time Directors and/or Manager

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	80.12	103.73	53.16	27.65	264.66
	(b) Value of Perquisites u/s 17(2) of Income Tax Act, 1961	2.77	3.46	1.99	1.25	9.47
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	0	0	0	0	0
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit	-	-	-	-	-
5	Others	-	-	-	-	-
	<b>Total</b>	<b>82.90</b>	<b>107.20</b>	<b>55.15</b>	<b>28.89</b>	<b>274.13</b>
	Ceiling as per the Act					158.77

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

### B. Remuneration to other Directors

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Sarup Chowdhary	Pushp Raj Singhvi	Milin Mehta	Dilip G Shah [Note a]	A.S. Anandkumar [Note b]	
1	Independent Directors						
	• Fees for attending meetings of Board/Committee	1.50	2.85	3.00	2.55	0.60	10.50
	• Commission	-	-	-	-	-	-
	• Others	-	-	-	-	-	-
	<b>Total (1)</b>	<b>1.50</b>	<b>2.85</b>	<b>3.00</b>	<b>2.55</b>	<b>0.60</b>	<b>10.50</b>
2	Other Non-Executive Directors (2)	-	-	-	-	-	-
	<b>Total Remuneration = (1+2)</b>	<b>1.50</b>	<b>2.85</b>	<b>3.00</b>	<b>2.55</b>	<b>0.60</b>	<b>10.50</b>
	Ceiling as per the Act						

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

(a) Mr. Dilip Shah appointed as an Independent Director, w.e.f. 18/05/2016.

(b) Mr. A S Anandkumar tendered his resignation as Non-Executive Independent Director w.e.f. 19/05/2016.

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr. No	Particulars of Remuneration	Key Managerial Personnel		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	26.38	3.42	29.80
	(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	-	-	-
	<b>Total</b>	<b>26.38</b>	<b>3.42</b>	<b>29.80</b>

**Note :** The above stated figures for remuneration are extracted from Form 16 of the individual Managerial Personnel and Key Managerial Personnel for the F.Y. 2016-17, whereas figures for the managerial remuneration in Corporate Governance Report are prepared on the basis of accrual accounting principle and hence not comparable.

### VII. 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					
Punishment			None		
Compounding					
B. Directors					
Penalty					
Punishment			None		
Compounding					
C. Other Officers in default					
Penalty					
Punishment			None		
Compounding					

*For and on behalf of the Board*

Vadodara  
May 20, 2017

*Mahendra Sanghvi*  
Executive Chairman

## Annexure E

As per the provisions of Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to disclose Annual Report on CSR Activities to be included in the Board's Report :

1. Ratio of Remuneration of each director to the median remuneration of the employees of the Company for the financial year 2016-17 :

Name of Director	Designation	Ratio to Employees
Mahendra Sanghvi	Executive Chairman	52.69:1
Laxman Sanghvi	Executive Director	35.28:1
Tilottama Sanghvi	Whole Time Director	18.82:1
Amit Sanghvi	Managing Director	75.27:1

2. Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, during the financial year 2016-17 :

Name	Designation	% Increase
Mahendra Sanghvi	Executive Chairman	0
Laxman Sanghvi	Executive Director	0
Tilottama Sanghvi	Whole Time Director	0
Amit Sanghvi	Managing Director	42.86%
Sanjay Shah	CFO & Vice President - Finance	6.50%
Preeti Sheth	Asst. Company Secretary	5.00%

3. Percentage increase in median remuneration of employees in the financial year 2016-17 :

The median remuneration of employees was increased by -2.03% during the Financial Year 2016-17.

Number of permanent employees on the roll of the Company :

Staff	317
Permanent Workers	158

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	19.17%
Managerial Personnel	13.05%

There are no exception 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*

Vadodara  
May 20, 2017

*Mahendra Sanghvi*  
Executive Chairman

## Annexure F

### Form MR-3

### Secretarial Audit Report

[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**

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.

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, 2017, 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 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, 2017, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- 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;

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:-

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

- vi. Other sector specific laws as follows:-

- (a) Foreign Trade Policy;
- (b) Foreign Trade (Development & Regulation) Act, 1992 and Rules made thereunder.

We have also examined compliance with the applicable clauses of the followings:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and

- (ii) The Listing Agreements entered into by the Company with BSE Ltd and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that 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.

We further report that 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.

We further report that 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.

We further report that 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.

We further report that 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 the Company's affairs.

**Sd/-**

**Suresh Kumar Kabra**

Company Secretary  
Partner

**Samdani Shah & Kabra**

(Erstwhile Samdani Shah & Asso.)

Company Secretaries

FCS No. 3677

CP No. 2863

Vadodara, May 20, 2017

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**

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 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. Our examination was limited to the verification and audit of procedures and records on test basis to

ensure that correct facts are reflected in Secretarial & other records. 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

(Erstwhile Samdani Shah & Asso.)

Company Secretaries

ACS No. 9711

CP No. 9927

Vadodara, May 20, 2017

# 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.

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 31<sup>st</sup> March 2017 as under:

Sr. No.	Date	Time (IST)
1	18 May 2016	3:30 p.m.
2	02 August 2016	3:00 p.m.
3	14 November 2016	3:00 p.m.
4	11 February 2017	2:00 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.

## 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 2016-17	Attendance at last AGM	No. of Equity Shares held in the Company as on March 31, 2017
As on March 31, 2017						
Mr. Mahendra Sanghvi Executive Chairman	Promoter Executive	3	4(1)	4/4	Yes	902,935
Mr. Laxman Sanghvi Executive Director	Promoter Executive	1	0	4/4	Yes	526,424
Ms. Tilottama Sanghvi Whole-Time Director	Promoter Executive	1	0	4/4	Yes	914,150
Mr. Amit Sanghvi Managing Director	Promoter Group - Executive	1	1	4/4	Yes	60,000
Mr. Sarup Chowdhary	NED (Independent)	1	1	2/4	No	Nil
Mr. Pushp Raj Singhvi	NED (Independent)	5	4(1)	4/4	Yes	Nil
Mr. Milin Mehta	NED (Independent)	3	5(3)	4/4	Yes	Nil
Mr. Dilip Shah	NED (Independent)	3	4(1)	4/4	Yes	Nil
Mr. A S Anandkumar (Upto May 19, 2016)	NED (Independent)	-	-	-	NA	NA

### Notes :

- (a) Includes directorship in public companies and private companies, which are subsidiaries of public companies.  
 (b) Membership/Chairmanship are considered only for Audit Committee and Stakeholders Relationship Committee.  
 (c) NED refers to Non-Executive Director.  
 (d) Mr. A S Anandkumar tendered his resignation as Non-Executive Independent Director w.e.f. 19/05/2016.  
 (e) The Company has not issued any convertible instruments .

### c. 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.

### d. Familiarization programme for Independent Directors

Guided by the principles of Corporate Governance of the prevailing regulatory regime, the Company has conducted familiarization programme for Independent

Directors during the year. The details for the same have been disclosed on our website [www.shaily.com](http://www.shaily.com) following weblink; <http://www.shaily.com/investors-details.aspx?id=10>

### e. 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 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.

#### f. 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 2016-17 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>

### 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. Upon resignation of Mr. A S Anandkumar, Independent Director, the existing Audit Committee was re-constituted effective from 19<sup>th</sup> May, 2016.

#### a. Composition of Audit Committee

The Audit Committee comprises of 4 Independent Directors viz., Mr. Milin Mehta, Mr. Sarup Chowdhary, Mr. P.R. Singhvi and Mr. Dilip Shah (w.e.f. 19<sup>th</sup> May, 2016). 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 F.Y. 2016-17	
	Held	Attended
Mr. Milin Mehta (Chairman)	4	4
Mr. Sarup Chowdhary	4	2
Mr. Pushp Raj Singhvi	4	4
Mr. A S Anandkumar (till May 18, 2016)	4	1
Mr. Dilip Shah (w.e.f. May 19, 2016)	4	3

There were Four (4) meetings of Audit Committee held during F.Y. 2016-17 on 18<sup>th</sup> May, 2016, 02<sup>nd</sup> August 2016, 14<sup>th</sup> November, 2016 and 11<sup>th</sup> February 2017. Mr. Milin Mehta, Chairman of the Audit Committee was present at the last Annual General Meeting held on August 02, 2016.

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 the all the Directors, Key Managerial Personnel (KMP) and senior management personnel

### c. Meetings of Nomination & Remuneration Committee and Attendance of Members

There was one meeting of the Nomination & Remuneration Committee held during F.Y. 2016-17 on 18th May, 2016. All the members attended the meeting, except for Mr. Sarup Chowdhary, who could not attend it due to ill health.

Mr. Sarup Chowdhary, Chairman of NRC, could not attend the Annual General Meeting held on 02<sup>nd</sup> August, 2016 due to health issues. However, Mr. P R Singhvi, member of NRC, represented on his behalf.

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 [www.shaily.com](http://www.shaily.com) at weblink <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 2016-17 are given below :

					(₹ in lacs)
Name & Designation of Executive Directors	Salary	Allowances & Perquisites	Company's contribution to funds	Others	Total
Mr. Mahendra Sanghvi Executive Chairman	47.56	31.69	10.46	-	89.71
Mr. Laxman Sanghvi Executive Director	31.85	21.22	7.01	-	60.07
Ms. Tilottama Sanghvi Whole - Time Director	16.98	11.32	3.74	-	32.03
Mr. Amit Sanghvi Managing Director	61.31	40.85	13.49	-	115.66
<b>Total</b>	<b>157.70</b>	<b>105.07</b>	<b>34.69</b>	<b>-</b>	<b>297.47</b>

- 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.
- The Company does not have any stock option scheme.
- 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.
- 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 ₹30,000/- for other committee meetings and meeting of independent director's effective from August 02, 2016. The Non-Executive Directors are also paid reimbursement 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 directors has any pecuniary relationship or transactions with the Company and/or its associates.

#### Payment to NED during F.Y. 2016-17:

	(₹)
Name of Director	Sitting fees
Mr. Sarup Chowdhary	150,000
Mr. P R Singhvi	285,000
Mr. Milin Mehta	300,000
Mr. Dilip Shah (w.e.f. 18 May, 2016)	255,000
Mr. A S Anandkumar (till 19 May 2016)	60,000
<b>Total</b>	<b>10,50,000</b>

## 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.

The SRC was last re-constituted effective from May 19, 2016 as below:

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 Nomination & Remuneration Committee held during F.Y. 2016-17 on 18<sup>th</sup> May, 2016. All the members attended the meeting.

Mr. Milin Mehta, Chairman of SRC, attended the Annual General Meeting of the Company held on August 02, 2016.

### c. Compliance Officer

Mr. Sanjay Shah, CFO & Vice President – Finance, is the Compliance Officer and Ms. Preeti Sheth, Asst. Company Secretary, looks after the compliance of requirements of Securities Laws.

### d. Investor grievance redressal

The number of complaints received and resolved to the satisfaction of investors during the financial year 2016-17 are as under:

Nature of Complaints	Number of Complaints	Pending as on March 31, 2017
Non Receipt of Annual Report	1	0
Non receipt of dividend	2	0
<b>Total</b>	<b>3</b>	<b>0</b>

## 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 F.Y. 2016-17 on 18<sup>th</sup> May, 2016. All the members attended the meeting.

Mr. P R Singhvi, Chairman of Corporate Social Responsibility Committee, attended the Annual General Meeting of the Company held on August 02, 2016.

## 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
2013-14	Survey No. 364-366, At. & Po. Rania, Tal. Savli, Dist. Vadodara - 391 780, Gujarat	September 20, 2014	2:00 p.m. IST	7
	Survey No. 364-366, At. & Po. Rania, Tal. Savli, Dist. Vadodara - 391 780, Gujarat	December 20, 2014*	12:30 p.m IST	1
2014-15	Survey No. 364-366, At. & Po. Rania, Tal. Savli, Dist. Vadodara - 391 780, Gujarat	August 08, 2015	12:00 noon IST	2
2015-16	Patel Wadi, Opp. Jalaram Temple, Village Rania, Sankarda Bhadarwa Road, Tal. Savli, Dist. Vadodara - 391 780, Gujarat	August 02, 2016	11:30 a.m. IST	Nil

\*Extraordinary General Meeting

- There was no business in F.Y. 2016-17, which required to be transacted through postal ballot.
- There is no item on the agenda of the forthcoming 37th 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 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 <a href="http://www.shaily.com">www.shaily.com</a> 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.

## General Shareholder Information

S.#	Particulars	Description
a)	Annual General Meeting Date, Time & Venue	Saturday, September 09, 2017 at 3:00 p.m. IST. Survey 364-366, At. & Po. Rania, Ta. Savli, Dist. Vadodara - 391 780, Gujarat,
b)	Financial Year	April 01, 2016 to March 31, 2017
c)	Dividend Payment date	On or before September 14, 2017.
d)	Date of Book closure	04/09/2017 to 09/09/2017
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 F.Y 2016-17.
f)	Stock Code	BSE Equity : 501423
g)	Market price data -high, low during each month in F.Y. 2016-17	Please see "Annexure A"
h)	Share performance of the Company in comparison 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 F.Y. 2016-17.
f)	Registrar & Share Transfer Agent	Bigshare Services Pvt. Ltd. E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E ), Mumbai - 400 072 Ph : +91 22 4043200   Fax : +91 22 2847507 Web : www.bigshareonline.com   Email : info@bigshareonline.com
g)	Share Transfer system	Share transfers will be registered and returned within a period 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 3000 shares (previous year 100 shares).
h)	Distribution of shareholding/Shareholding Pattern as on March 31, 2017	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	<p>Rania/Finishing/EOU/Healthcare Plant: Survey 364-366, At. &amp; Po. Rania, Tal., Savli, Dist. Vadodara - 391 80 , Gujarat</p> <p>Halol Plant : Plot No. 706/707/708, G.I.D.C., Halol - 389 350, Dist.,Panchmahal, Gujarat.</p>
l)	Address for Correspondence/Investor Correspondence	<p><b>Company Secretary/Compliance Officer</b> Shaily Engineering Plastics Limited Survey 364-366, At. &amp; Po. Rania, Tal. Savli, Dist. Vadodara - 391 780, Gujarat, India Ph : +91 2667 244307/244348/244361 I Fax : +91 02667 244372 Web : www.shaily.com I Email : investors@shaily.com</p> <p><b>Bigshare Services Pvt. Ltd.</b> 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai - 400 059 Ph : +91 22 6263 8200 I Fax : +91 22 6263 8299 Web : www.bigshareonline.com I Email : investor@bigshareonline.com</p> <p><i>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 &amp; Client ID number, as the case may be, in all correspondence with it.</i></p>

## 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](http://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 Listing Regulations 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 [www.shaily.com](http://www.shaily.com).

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. 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
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

## Annexure - A

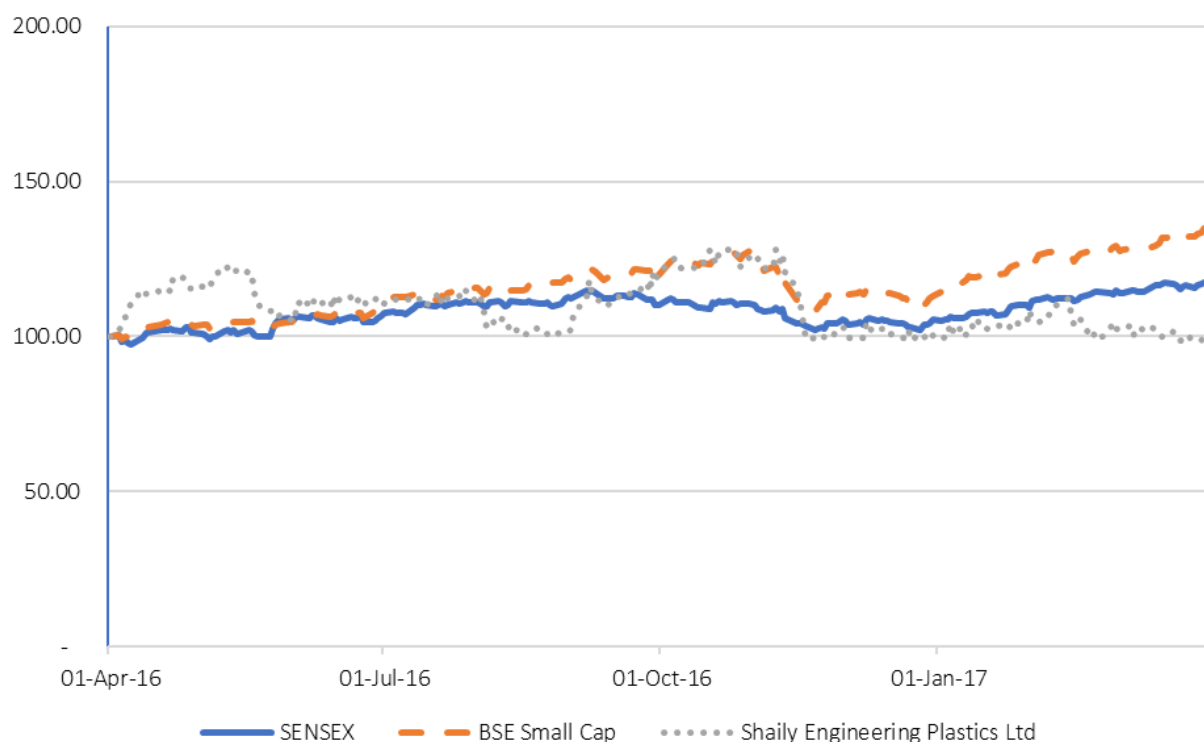
Market price data of the Company's shares traded on BSE Limited (BSE) during the financial year 2016-17:

(₹)				
Month	Open Price	High Price	Low Price	Close Price
April 2016	500.00	629.50	500.00	588.90
May 2016	580.00	633.50	510.40	534.95
June 2016	544.80	584.80	530.10	568.70
July 2016	567.00	592.90	540.00	572.70
August 2016	575.00	575.00	482.25	516.35
September 2016	519.90	639.90	510.00	615.60
October 2016	640.00	661.00	605.00	644.80
November 2016	645.00	657.00	482.00	521.00
December 2016	503.00	534.00	496.10	512.00
January 2017	519.00	569.40	500.00	537.25
February 2017	543.00	575.00	500.00	519.90
March 2017	520.00	534.50	490.00	502.65

On March 31, 2017, the closing price of the shares of the Company on BSE was ₹ 502.65

## Annexure - B

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





## Annexure - C

Distribution of shareholdings as on 31<sup>st</sup> March, 2017 is as under :

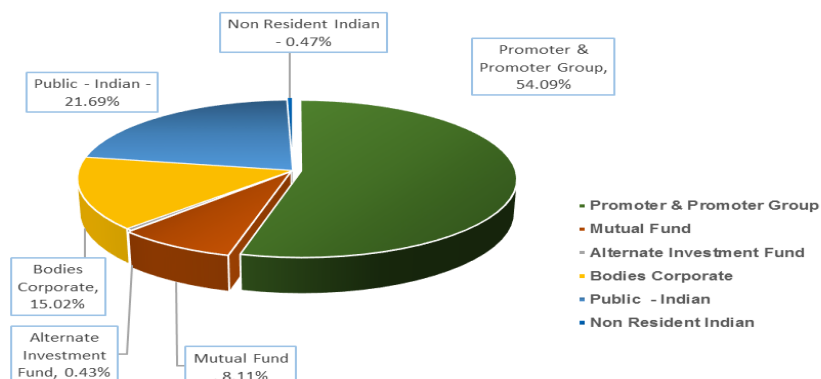
Number of shares of face value	Number of shareholders	% of total shareholders	Number of shares	% of total shares
1-5000	3371	91.08	2659800	3.2
5001-10000	157	4.24	1297480	1.56
10001-20000	72	1.94	1139110	1.37
20001-30000	27	0.73	680810	0.82
30001-40000	14	0.38	487850	0.59
40001-50000	4	0.11	195000	0.23
50001-100000	19	0.51	1361250	1.64
100001-999999999	37	0.99	75363000	90.6

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

## Shareholding as on March 31, 2017

Sr. No.	Category	Number of Shares held	% of voting strength
1	Promoters & Promoter Group	4499843	54.09
2	Mutual Funds	674596	8.11
3	Alternative Investment Fund	35374	0.43
4	Bodies Corporate	1249337	15.02
5	Indian Public	1803898	21.69
6	Non Resident Indian	39496	0.47
7	Others	15886	0.19
<b>Total</b>		<b>8318430</b>	<b>100.00</b>

**Distribution of Shareholding**



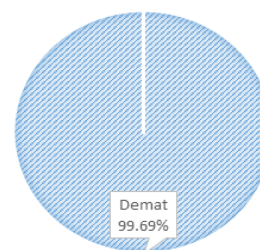
## Annexure - D

### Dematerialization of shares and liquidity

Sr. No.	Status	Number of Shares	%
1	Holding in Demat mode	8293030	99.69
2	Physical shareholding	25400	0.31
<b>Total</b>		<b>8318430</b>	<b>100.00</b>

\* Previous year (i.e. as on 31 Mar 16) - Demat holding was 89.90%

TOTAL SHARE CAPITAL



*For and on behalf on Board of Directors*

Vadodara  
May 20, 2017

**Mahendra Sanghvi**  
*Executive Chairman*

**Amit Sanghvi**  
*Managing Director*

## CERTIFICATE

### 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, 2017 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, 2017, 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.

**Sd/-**  
**Suresh Kumar Kabra**  
*Partner*

Samdani Shah & Kabra  
(Erstwhile Samdani Shah & Asso.)  
Company Secretaries  
ACS No. 9711, CP No. 9927  
Vadodara, May 20, 2017

## 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](http://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 31<sup>st</sup> March, 2017 and the copy of the code of conduct is put on the website of the Company at [www.shaily.com](http://www.shaily.com).

On behalf of the Board of Directors

**Sd/-**  
**Amit Sanghvi**  
Managing Director

*What helps people, helps business.*

*- Leo Burnett*

# Independent Auditor's Report

To the Members of  
Shaily Engineering Plastics Limited

## Report on the Financial Statements

We have audited the accompanying financial statements of **SHAILY ENGINEERING PLASTICS LIMITED ("the Company")**, which comprise the Balance Sheet as at **31<sup>st</sup> March 2017**, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

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 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 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.

We conducted our audit of the 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 standalone financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its profit and its cash flows 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, to the extent applicable 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 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, 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.
- g) 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:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8<sup>th</sup> November 2016 of the Ministry of Finance, during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management
2. 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.

**For Deloitte Haskins & Sells**  
*Chartered Accountants*  
 Firm's Registration No. 117364W

**Sunil S. Kothari**  
*Partner*  
 Place : Vadodara  
 Date : 20<sup>th</sup> May, 2017      Membership No. 208238

## Annexure "A" to the Independent Auditor's Report

Re : Shaily Engineering Plastics Limited

(Referred to in paragraph 1 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 March 31, 2017 in conjunction with our audit of the 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 Companies Act, 2013.

### 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, in terms of their reports referred to in the Other Matters paragraph below, 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 March 31, 2017, 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”.

**For Deloitte Haskins & Sells**  
*Chartered Accountants*  
 Firm’s Registration No. 117364W

Place : Vadodara  
 Date : 20<sup>th</sup> May, 2017

**Sunil S. Kothari**  
*Partner*  
 Membership No. 208238

## 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)

- |  |   |
|--|---|
| <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.</p> <p>(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 provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for term loans are held in the name of the Company based on the confirmations directly received by us from lenders. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.</p> <p>(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification. In case of inventories lying with third parties and goods in transit, the company has obtained confirmations for those inventories.</p> <p>(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability</p> | <p>Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.</p> <p>(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.</p> <p>(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and there are no unclaimed deposits. Hence reporting under clause (v) of the CARO 2016 is not applicable.</p> <p>(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, <i>prima facie</i>, 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.</p> <p>(vii) According to the information and explanations given to us, in respect of statutory dues:</p> <p>(a) The Company has been generally 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, cess and other material statutory dues applicable to it to the appropriate authorities.</p> |
|--|---|



(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, cess and other material statutory dues in arrears as at March 31, 2017 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, Customs Duty, Excise Duty and Value Added Tax *(excluding interest and penalty amounts)* which have not been deposited as on March 31, 2017 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 (Rs.)	Amount Unpaid (Rs.)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2007-08	2,46,370	2,46,370
Central Sales Tax Act, 1956	Sales Tax	Commercial Tax Department (Halol)	1996-97	5,72,903	5,72,903
Central Excise Act, 1944	Excise Duty	Supreme Court	2009-10	52,26,503	52,26,503
Central Excise Act, 1944	Excise Duty	Central Excise, Service Tax Appellate Tribunal	2009-10 to 2016-17	24,43,437	24,43,437
Central Excise Act, 1944	Excise Duty	Commissioner (Appeals)	2009-10 to 2016-17	19,25,927	19,25,927
Central Excise Act, 1944	Excise Duty	Assistant Commissioner	2008-09 to 2016-17	19,31,749	19,31,749

(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 financial institutions and banks. The Company has not issued any debentures and has no loans or borrowings from the government.

(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 CARO 2016 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 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 CARO 2016 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 188 and 177 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 CARO 2016 is not applicable to the Company.

(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 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

**Sunil S. Kothari**  
*Partner*

Place : Vadodara  
 Date : 20<sup>th</sup> May, 2017

Membership No. 208238

# Balance Sheet

(Amt in ₹)

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	83,184,300	83,184,300
(b) Reserves & Surplus	4	973,149,086	814,378,087
		<b>1,056,333,386</b>	<b>897,562,387</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long Term Borrowings	5	161,574,598	306,454,960
(b) Deferred Tax Liabilities(net)	30.6	63,492,923	63,220,028
(c) Other Long Term Liabilities	6	8,632,921	11,943,234
(d) Long Term Provisions	7	9,116,860	7,599,912
		<b>242,817,302</b>	<b>389,218,135</b>
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	8	371,471,194	200,921,888
(b) Trade Payables			
i) Dues micro and small enterprise	9	-	-
ii) Dues others	9	199,169,888	187,002,126
(c) Other Current Liabilities	10	158,896,081	193,153,784
(d) Short Term Provisions	11	29,504,053	42,721,870
		759,041,216	623,799,667
<b>Total</b>		<b>2,058,191,904</b>	<b>1,910,580,189</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	12		
(i) Property, Plant and Equipment		937,645,149	969,402,306
(ii) Intangible assets		2,934,842	3,477,125
(iii) Capital work-in-progress		30,917,444	-
(iv) Intangible assets under development		5,916,412	3,708,035
		<b>977,413,847</b>	<b>976,587,466</b>
(b) Non-Current Investments	13	2,040,116	2,040,116
(c) Long Term Loans & Advances	14	93,668,094	46,133,566
<b>(2) Current Assets</b>			
(a) Inventories	15	275,351,198	224,830,203
(b) Trade receivables	16	464,308,972	360,638,649
(c) Cash and cash equivalents	17	36,584,246	131,588,689
(d) Short-term loans and advances	18	208,346,998	166,967,772
(e) Other current assets	19	478,433	1,793,728
		985,069,847	885,819,041
<b>Total</b>		<b>2,058,191,904</b>	<b>1,910,580,189</b>
<b>See accompanying notes to financial statements</b>	27 - 29		

In terms of our report attached

**For Deloitte Haskins & Sells**

Chartered Accountants

Firm Registration No. 117364W

**Sunil S. Kothari**

Partner

M.No. 208238

Vadodara, May 20, 2017

*For and on Behalf of the Board of Directors*

Amit Sanghvi

Managing Director

Laxman Sanghvi

Executive Director

Sanjay Shah

CFO &amp; Vice President – Finance

Preeti Sheth

Asst. Company Secretary

Vadodara, May 20, 2017

# Statement of Profit & Loss

(Amt in ₹)

Particulars	Note No.	Year ended 31 March, 2017	Year ended 31 March, 2016
<b>I. Revenue from Operations (gross)</b>	20	2,525,827,535	2,311,799,529
Less: Excise Duty		62,078,640	56,405,835
Revenue from Operations (Net)		2,463,748,895	2,255,393,694
<b>II. Other income</b>	21	<b>33,732,442</b>	27,950,500
<b>III. Total Revenue (I + II)</b>		<b>2,497,481,337</b>	<b>2,283,344,194</b>
<b>IV. Expenses</b>			
Cost of Materials Consumed	22	1,344,693,546	1,246,305,810
Changes in Inventories of Finished goods & work in progress	23	(11,905,586)	(23,994,378)
Employee Benefits Expense	24	266,484,059	234,103,371
Finance costs	25	78,852,742	101,345,003
Depreciation and amortization expense	12	133,543,225	102,558,567
Other Expenses	26	453,825,910	408,875,663
<b>Total Expenses</b>		<b>2,265,493,896</b>	<b>2,069,194,036</b>
<b>V. Profit before tax (III-IV)</b>		<b>231,987,441</b>	<b>214,150,158</b>
<b>VI. Less: Tax expense</b>			
Current tax		72,062,788	45,853,638
MAT Credit Entitlement		-	(88,731)
Short provision in earlier years		880,763	-
Net current tax expense		72,943,551	45,764,907
Deferred tax		272,895	13,465,177
Net tax expense		<b>73,216,446</b>	<b>59,230,084</b>
<b>VII. Profit after tax (V-VI)</b>		<b>158,770,995</b>	<b>154,920,074</b>
<b>VIII Earnings per equity share (of ₹ 10/- each):</b>			
(1) Basic (Refer Note 28.5)		19.09	18.62
(2) Diluted (Refer Note 28.5)		19.09	18.62
<b>See accompanying notes to financial statements</b>	27 - 29		

In terms of our report attached

**For Deloitte Haskins & Sells**

Chartered Accountants

Firm Registration No. 117364W

**Sunil S. Kothari**

Partner

M.No. 208238

Vadodara, May 20, 2017

*For and on Behalf of the Board of Directors*

Amit Sanghvi

Managing Director

Laxman Sanghvi

Executive Director

Sanjay Shah

CFO &amp; Vice President – Finance

Preeti Sheth

Asst. Company Secretary

Vadodara, May 20, 2017

# Cash Flow Statement

(Amt in ₹)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
<b>A Net cash generated/(used) in Operating Activities</b>		
<b>Net Profit before taxation (as per Statement of Profit and Loss)</b>	<b>231,987,441</b>	<b>214,150,158</b>
<b>Adjustments for:</b>		
1 Depreciation and amortization expense	133,543,225	102,558,567
2 (Profit) / Loss on sale of Fixed Asset	(959,267)	(1,602,616)
3 Dividend received	-	-
4 Interest income	(3,828,126)	(4,367,158)
5 Finance costs	73,682,052	92,211,259
6 Amortisation of share issue expenses and discount on shares	478,050	478,050
7 Bad debts written off	-	555,820
8 Advances written off	-	2,522,416
9 Provision for diminution in the value of investments	-	705,510
10 Profit on Sale of mutual funds	(17,491,589)	(20,781,614)
11 Profit on Sale of Non-Current Investments	-	(5,000)
12 Net unrealised exchange loss	(2,609,074)	12,911,440
13 Provision written back	(1,331,413)	-
<b>Operating Profit before working capital changes</b>	<b>413,471,298</b>	<b>399,336,832</b>
<b>Adjustments for:</b>		
1 (Increase)/Decrease in Trade receivables	(105,059,136)	10,240,196
2 (Increase)/Decrease in Other receivables and advances	(50,928,182)	13,194,498
3 (Increase)/Decrease in Inventories	(50,520,995)	(23,704,784)
4 Increase/(Decrease) in Trade Payables	14,385,284	38,877,611
5 Increase/(Decrease) in Other Liabilities and provisions	(10,372,676)	(34,524,760)
6 Cash generated from operations	<b>210,975,592</b>	<b>403,419,593</b>
7 Taxes paid (Net of refunds)	(40,636,084)	(46,529,824)
<b>Net cash flow from operating activities</b>	<b>170,339,509</b>	<b>356,889,769</b>
<b>B Net cash generated/(used) from Investing Activities</b>		
1 Purchases of Fixed Assets	(174,551,757.73)	(292,537,952)
2 Sale of Fixed Asset	2,222,301	19,879,586
3 Interest received	2,851,248	3,403,256
4 Purchase of investments	(240,000,000)	-
5 Sales of Investments in Mutual Funds	257,491,589	274,281,614
6 Sales of Non Current Investments	-	5,000
7 Bank balances not considered as cash and cash equivalents	12,575,210	2,043,819
<b>Net cash generated/used in Investing Activities</b>	<b>(139,411,409)</b>	<b>7,075,323</b>

<b>C Net cash generated/(used) from Financing Activities</b>		
1 Proceeds from long term borrowings	-	146,518,580
2 Repayment of long term borrowings	(170,236,084)	(153,455,552)
3 Increase / (Decrease) in borrowings for working capital	170,549,306	(168,238,100)
4 Payment of Dividend	(40,047,466)	(19,963,253)
5 Finance costs	(73,682,052)	(92,211,259)
<b>Net cash flow from / (used in) financing activities</b>	<b>(113,416,296)</b>	<b>(287,349,584)</b>
<b>D Net cashflow generated / (used)</b>	<b>(82,488,196)</b>	<b>76,615,508</b>
Cash & Cash Equivalents as at beginning of the year	88,256,721	12,974,446
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		(1,333,233)
<b>Cash &amp; Cash equivalents as at end of the year</b>	<b>5,768,525</b>	<b>88,256,721</b>

**Note :****1 Cash & Cash equivalents comprises**

(Amt in ₹)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Cash on Hand	213,186	1,401,684
Cheques, drafts on hand		
Balances with banks		
(i) In current accounts	3,244,304	52,856,621
(ii) In EEFC accounts	2,311,035	33,998,416
<b>Total</b>	<b>5,768,525</b>	<b>88,256,721</b>

Balances with banks in deposit accounts, unpaid dividend accounts and margin money are not considered as cash equivalents considering the requirement of "Accounting Standard 3"

2. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in AS-3 on "Cash Flow Statement".

In terms of our report attached

*For and on Behalf of the Board of Directors***For Deloitte Haskins & Sells**

Chartered Accountants

Firm Registration No. 117364W

**Sunil S. Kothari**

Partner

M.No. 208238

<i>Amit Sanghvi</i>	<i>Managing Director</i>
<i>Laxman Sanghvi</i>	<i>Executive Director</i>
<i>Sanjay Shah</i>	<i>CFO &amp; Vice President – Finance</i>
<i>Preeti Sheth</i>	<i>Asst. Company Secretary</i>

Vadodara, May 20, 2017

Vadodara, May 20, 2017

## Notes forming part of Financial Statements

### 1. Corporate Information

Shaily Engineering Plastics Limited (the Company) is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. 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, Baroda, Gujarat, India.

### 2. Significant Accounting Policies

#### 2.1. Framework of Preparation of Financial Statements :

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### 2.2. System of Accounting :

The Company has adopted accrual system of accounting.

#### 2.3. Use of Estimates :

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions.

#### 2.4. Revenue :

- i. Sales and services are accounted inclusive of excise duty but excluding Sales Tax, and are net of returns / discounts / debit notes / reversals.
- ii. Revenue from sales of product is recognised on the transfer of substantial risk and rewards of ownership, which generally coincides with the delivery of goods to customers.

iii. Revenue from services is recognised when services are rendered and related costs are incurred.

iv. 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.

v. Revenue with respect to Other Operating Income and Other Income is recognized when a reasonable certainty as to its realization exists. Interest income is accounted on accrual basis. Dividend income is accounted for when the same is received.

#### 2.5. Fixed Assets :

Fixed Assets acquired on amalgamation with erstwhile Anmol Trading Company Ltd on 1st April 2001 are stated at fair value determined at the time of amalgamation. Assets acquired thereafter are shown at cost. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

#### Capital Work-in-progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**Intangible assets under development:**

Expenditure on Research and development (Refer Note 2.19) eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

**2.6. Depreciation, Amortisation and Impairment**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

**2.7. Investments**

Investments are either classified as current or long term based on management's intention at the time of purchase. 'Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

**2.8. Inventories**

Inventories are valued at lower of cost and net realisable value. Cost of inventories comprises cost of purchase, cost of conversion and other cost incurred in bringing them to their present location and conditions. The cost of Raw Material, Packing Material and Stores & Spares inventories is determined based on the First in First out method and that of Work-in-Process and Finished Goods inventories is based on Retail Valuation Method. Excise duty liability is provided for on finished goods lying with the Company.

**2.9. Employee Benefits****Defined Contribution Plan**

Company's contribution to Provident fund and other funds are determined under the relevant schemes and/or statute and charged to revenue.

**Defined Benefit Plan**

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. The obligation for leave encashment is recognised in the same manner as gratuity.

**Short term Employee Benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

**2.10. Foreign Currency Transactions**

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the date of transaction. Monetary items denominated in foreign currency at the year end are translated at year end rates. The exchange difference arising on settlement /translation are recognised in the revenue accounts.

**2.11. Borrowing Costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

## 2.12. Taxation

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax asset on account of unabsorbed loss/depreciation is recognised only if virtual certainty, supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

## 2.13. Cash and Cash Equivalents and Cash Flow Statement

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of

acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## 2.14. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation 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 retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

## 2.15. Share Issue Expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

## 2.16. Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

## 2.17. Service Tax Input Credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.



## 2.18. Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## 2.19. Research & Development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

### Note 3 : Share Capital

Particulars	As at 31st March 2017		As at 31st March, 2016	
	Number of shares	₹	Number of shares	₹
<b>A Authorised</b>				
1 Equity Shares of ₹ 10 each with voting rights	16,000,000	160,000,000	16,000,000	160,000,000
<b>B Issued, Subscribed &amp; Fully Paid Up Shares</b>				
Equity Shares of ₹ 10/- each fully paid with voting rights	8,318,430	83,184,300	8,318,430	83,184,300
<b>Total</b>	<b>8,318,430</b>	<b>83,184,300</b>	<b>8,318,430</b>	<b>83,184,300</b>

*The Board of Directors has recommended dividend of ₹ 5/- per Equity share of ₹10/- each (i.e.50%) subject to the shareholders approval in the ensuing 37th Annual General Meeting.*

### a. Reconciliation of Shares outstanding at the beginning and at the end of the reporting period :

Particulars	For the year ended 31st March-2017		For the year ended 31st March-2016	
	Number of shares	₹	Number of shares	₹
Shares outstanding at the beginning of the year	8,318,430	83,184,300	8,318,430	83,184,300
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	8,318,430	83,184,300	8,318,430	83,184,300

**b. Terms & 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.

**c. Details of Shareholders holding more than 5% shares in the Company :**

Class of shares / Name of shareholder	As at 31- March-2017		As at 31- March-2016	
	Number of shares	% of Holding	Number of shares	% of Holding
<b><u>Equity shares with voting rights</u></b>				
1 Mahendra Sanghvi	902,535	10.85%	829,875	9.98%
2 Tilottama Sanghvi	914,150	10.99%	898,490	10.80%
3 Laxman Sanghvi	526,424	6.33%	501,924	6.03%
4 Jayesh Shah	759,838	9.13%	679,838	8.17%
5 Ashish Kacholia	-	0.00%	1,000,000	12.02%
6 Bengal Finance & Investment Pvt. Ltd	600,000	7.21%	-	0.00%
7 Mukul Mahavir Prasad Agrawal	484,030	5.82%	484,030	5.82%
8 DSP BlackRock Emerging Stars Fund	674,596	8.11%	450,000	5.41%

**Note 4 Reserves & Surplus**

Particulars	(Amt in ₹)	
	As at 31st March-2017	As at 31st March-2016
<b>1 Capital Reserve</b>	<b>9,291,156</b>	<b>9,291,156</b>
<b>2 Securities Premium Account</b>		
Opening Balance	320,751,056	320,751,056
Closing Balance	<b>320,751,056</b>	<b>320,751,056</b>
<b>3 General Reserve</b>		
Opening Balance	19,158,226	19,158,226
Less: Utilised / transferred during the year for:		
Closing Balance	<b>19,158,226</b>	<b>19,158,226</b>
<b>4 Surplus in Statement of Profit and Loss</b>		
Opening balance	465,177,653	350,305,042
Add: Profit / (Loss) for the year	158,770,995	154,920,074
Less: Dividends distributed to equity shareholders (PY ₹ 4/- per share)	-	33,273,720
Tax on dividend	-	6,773,746
Closing Balance	<b>623,948,648</b>	<b>465,177,649</b>
<b>Total</b>	<b>973,149,086</b>	<b>814,378,087</b>

**Note 5 Long Term Borrowings**

(Amt in ₹)

Particulars	As at 31st March-2017	As at 31st March-2016
1 <b>Term loans</b>		
From banks (Secured)		
- Rupee Currency	106,676,967	147,091,376
- Foreign Currency	53,012,631	146,916,386
	<b>159,689,598</b>	<b>294,007,762</b>
2 <b>Loans taken for purchase of vehicle</b>	-	1,147,198
3 <b>Deposits (Unsecured)</b>	1,885,000	11,300,000
<b>Total</b>	<b>161,574,598</b>	<b>306,454,960</b>

**Notes**

(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

(Amt in ₹)

Particulars	Terms of repayment and security	As at 31st March-2017	As at 31st March-2016
		Secured	Secured
1 <b><u>Term loans from banks:</u></b>			
SBI (Rupee Currency)	Terms of Repayment:- SBI (In rupees) :- Quarterly repayment of Rs 50 Lacs(PY 50 Lacs)	70,912,917	91,123,130
SBI (Foreign Currency)	SBI (In rupees) :- Quarterly repayment of 66,400 USD (PY 70,200)	21,599,289	39,733,462
HDFC (Rupee Currency)	HDFC (In rupee Currency) :- Quarterly repayment of Rs 50 Lacs (PY 50 Lacs)	75,764,051	95,968,247
SCB UK (Foreign Currency)	SCB UK (in foreign Currency) : Quarterly repayment of ECB-1 of 1.33 lac USD (PY 1.33 lac USD) & ECB-2 of 2.5 lacs USD.	122,134,168	226,371,251
		<b>290,410,424</b>	<b>453,196,089</b>
<b>Less: Repayment within next 12 months, current maturities of Long Term Debt reflected in Note No: 10 other current liabilities.</b>	<b>Security :-</b> Term loans from banks are secured by a pari passu charge over entire fixed assets of the Company including mortgage over factory, land, building and plants of the Company situated at a) Plot # 706, 707 and 708 at GIDC ,Halol. b) Survey # 366,364/1, 364 /1(A) 364/2 364/3 and 363 at Rania.		

	ECB-2 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.		
SBI (Rupee Currency)	Terms of Repayment:- SBI (In rupees) :- Quarterly repayment of Rs 50 Lacs (PY 50 Lacs)	20,000,000	20,000,000
SBI (Foreign Currency)	SBI (In rupees) :- Quarterly repayment of 66,400 USD (PY 70,200)	17,224,160	17,597,328
HDFC (Rupee Currency)	HDFC (In rupee Currency) :- Quarterly repayment of Rs 50 Lacs (PY 50 Lacs)	20,000,000	20,000,000
SCB UK (Foreign Currency)	<b>SCB UK (in foreign Currency) :</b> Quarterly repayment of ECB-1 of 1.33 lac USD (PY 1.33 lac USD) & ECB-2 of 2.5 lacs USD.	73,496,666	101,590,999
		<b>130,720,826</b>	<b>159,188,327</b>
<b>Total- Long Term loans banks (Secured)</b>		<b>159,689,598</b>	<b>294,007,762</b>

(Amt in ₹)

Particulars	Terms of repayment and security	As at 31st March-2017	As at 31st March-2016
		Secured	Secured
<b>2 Loans taken for purchase of vehicle</b>			
HDFC Bank	Terms of Repayment:- There is monthly repayment for hire purchase loans	406,360	808,380
ICICI Bank	<b>Security :-</b> Hire purchase facilities are secured by hypothecation of respective vehicles financed.	158,465	1,137,161
AXIS Bank		224,452	638,855
BMW India Financial Services Pvt Ltd.		357,921	1,704,986
		<b>1,147,198</b>	<b>4,289,382</b>
Less: Repayment within next 12 months, current maturities of finance lease obligations reflected in Note No: 10 other current liabilities.			
HDFC Bank	Terms of Repayment:- There is monthly repayment for hire purchase loans	406,360	402,019
ICICI Bank		158,465	978,696

AXIS Bank	Security :- Hire purchase facilities are secured by hypothecation of respective vehicles financed.	224,452	414,403
BMW India Financial Services Pvt Ltd.		357,921	1,347,066
		1,147,198	3,142,184
Total - Long-term loans taken for purchase of vehicle		-	1,147,198

(ii) Details of long-term borrowings guaranteed by some of the directors :

(Amt in ₹)

Particulars	As at 31st March-2017	As at 31st March-2016
Term loans from banks	290,410,424	453,196,089

**Note 6 : Other Long Term Liabilities**

(Amt in ₹)

Particulars	As at 31st March-2017	As at 31st March-2016
Advance from customers	8,632,921	11,943,234
<b>Total</b>	<b>8,632,921</b>	<b>11,943,234</b>

**Note 7 : Long Term Provisions**

(Amt in ₹)

Particulars	As at 31st March-2017	As at 31st March-2016
1 Provision for employee benefits		
Provision for compensated absences	9,116,860	7,599,912
<b>Total</b>	<b>9,116,860</b>	<b>7,599,912</b>

**Note 8 : Short term borrowings**

Particulars	As at 31st March-2017	As at 31st March-2016
1 Loans repayable on demand		
From banks		
-Secured		
Cash Credit	341,277,283	200,921,888
- Unsecured		
Bill Discounting	30,193,911	-
<b>Total</b>	<b>371,471,194</b>	<b>200,921,888</b>

**Notes**

(i) Details of security for secured short-term borrowings:

(Amt in ₹)

	Nature of security	As at 31st March-2017	As at 31st March-2016
	Loans repayable on demand - Secured from Banks		
SBI	Working capital loans from banks are secured by hypothecation of all current assets of the Company, present	196,009,977	166,179,452

SCB	and future, such as inventories, receivables, loans and advances, etc. Working capital loans are further secured by second pari passu charge over entire fixed assets of the company including factory land, building and plants of the Company as stated above. These are further secured by personal guarantees of some of the directors of the Company.	128,955,507	34,742,436
HDFC Bank		46,505,710	-
<b>Total - from banks</b>		<b>371,471,194</b>	<b>200,921,888</b>

## (ii) Details of short-term borrowings guaranteed by some of the directors :

(Amt in ₹)

Particulars	As at 31st March-2017	As at 31st March-2016
Loans repayable on demand from banks	371,471,194	200,921,888

**Note 9 : Trade Payables**

(Amt in ₹)

Particulars	As at 31st March-2017	As at 31st March-2016
1 Trade Payables		
Other than Acceptances	199,169,888	187,002,126
<b>Total</b>	<b>199,169,888</b>	<b>187,002,126</b>

**Note 10 : Other Current Liabilities**

(Amt in ₹)

Particulars	As at 31st March-2017	As at 31st March-2016
1 Current maturities of long-term debt (Secured)(Refer Note 5)	130,720,826	159,188,327
2 Current maturities of finance lease obligations (Secured)(Refer Note 5)	1,147,198	3,142,184
3 Deferred payment liabilities (Unsecured)	2,103,988	2,103,988
4 Unpaid dividends	126,328	67,364
5 Other Liabilities		
- Payables on purchase of capital goods	7,382,469	9,273,153
- Statutory Remittances	3,790,182	2,854,474
- Trade/Security deposit received	300,000	200,000
- Advance from customers	13,325,090	16,324,294
<b>Total</b>	<b>158,896,081</b>	<b>193,153,784</b>

**Note 11 : Short Term Provisions**

(Amt in ₹)

Particulars	As at 31st March-2017	As at 31st March-2016
1 Provision for employee benefits		
Provision for compensated absences	4,174,063	2,674,404
2 Others		
Taxation (Net of advance tax)	25,329,990	-
Provision for proposed equity dividend	-	33,273,720
Provision for tax on proposed dividends	-	6,773,746
<b>Total</b>	<b>29,504,053</b>	<b>42,721,870</b>

## Notes forming part of the Financial Statement

### Note 12 : Fixed Assets

For the year ended 31st March 2017

(Amt in ₹)

(Figures of previous year)

Description	GROSS BLOCK (At Cost)				DEPRECIATION / AMORTIZATION			NET BLOCK		
	As at 1-April-2016	Additions	Disposals	As at 31st March-17	As at 1-April-2016	Depreciation / amortisation for the year	Eliminated on disposal of assets	As at 31st March-17	As at 31st March-17	As at 31st March-16
<b>A Property, Plant and Equipment</b>										
<b>1 Land ( Freehold )</b>	12,766,672 (12,766,672)	- -	- -	12,766,672 (12,766,672)	- -	- -	- -	- -	12,766,672 (12,766,672)	12,766,672 (12,766,672)
<b>2 Lease Hold Land</b>	920,324 (920,324)	- -	- -	920,324 (920,324)	- -	- -	- -	- -	920,324 (920,324)	920,324 (920,324)
<b>3 Buildings</b>	315,768,490 (254,263,579)	7,970,718 (61,504,911)	- -	323,739,208 (315,768,490)	60,648,242 (51,397,922)	10,178,193 (9,250,320)	- -	70,826,436 (60,648,242)	252,912,772 (255,120,248)	255,120,248 (202,865,657)
<b>4 Plant and Machinery</b>	1,060,098,446 (867,883,797)	<b>60,103,150</b> (221,016,076)	4,600,899 (28,801,427)	1,115,600,698 (1,060,098,446)	509,574,578 (451,668,711)	93,481,646 (71,705,363)	3,831,104 (13,799,496)	599,225,120 (509,574,578)	516,375,578 (550,523,868)	550,523,868 (416,215,085)
<b>5 Electrical Installations</b>	67,148,350 (45,491,795)	6,191,559 (21,675,185)	341,719 (18,630)	72,998,189 (67,148,350)	24,800,179 (18,087,042)	6,859,095 (6,713,137)	- -	31,659,274 (24,800,179)	41,338,915 (42,348,171)	42,348,171 (27,404,753)
<b>6 Tools and Equipment</b>	169,276,919 (158,436,387)	<b>19,272,789</b> (13,055,448)	151,515 (2,214,916)	188,398,193 (169,276,919)	93,634,684 (87,819,152)	13,728,830 (5,815,531)	- -	107,363,515 (93,634,682)	81,034,678 (75,642,237)	75,642,235 (70,617,235)
<b>7 Furniture and Fixtures</b>	29,385,896 (25,129,693)	1,230,634 (4,256,203)	- -	30,616,531 (29,385,896)	16,546,679 (13,796,494)	2,951,257 (2,750,185)	- -	19,497,936 (16,546,679)	11,118,593 (12,839,218)	12,839,217 (11,333,199)
<b>8 Vehicles</b>	24,078,987 (25,814,634)	4,859,440 (502,000.00)	2,319,418 (2,237,647)	26,619,009 (24,078,987)	10,845,437 (8,824,647)	2,797,400 (3,218,529)	2,319,418 (1,197,739)	11,323,419 (10,845,437)	15,295,590 (13,233,550)	13,233,550 (16,989,987)
<b>9 Office Equipment</b>	9,447,044 (8,909,486)	924,332 (537,558)	- -	10,371,376 (9,447,044)	7,194,183 (6,408,012)	735,409 (786,171)	- -	7,929,592 (7,194,183)	2,441,784 (2,252,861)	2,252,861 (2,501,474)
<b>10 Computer Hardwares</b>	12,943,894 (11,720,572)	1,672,244 (1,280,495)	- (57,173)	14,616,137.68 (12,943,894)	11,013,187 (10,020,130)	1,263,365 (1,048,644)	- (55,588)	12,276,554 (11,013,186)	2,339,584 (1,930,708)	1,930,707 (1,700,442)
<b>11 Roads</b>	2,285,792 (1,198,131)	- (1,087,660)	- -	2,285,792 (2,285,791)	461,339 (16,632)	723,794 (444,707)	- -	1,185,133 (461,339)	1,100,659 (1,824,452)	1,824,453 (1,181,500)
<b>Sub Total A</b>	<b>1,704,120,813</b>	<b>102,224,866</b>	<b>7,413,551</b>	<b>1,798,932,128</b>	<b>734,718,508</b>	<b>132,718,989</b>	<b>6,150,522</b>	<b>861,286,979</b>	<b>937,645,149</b>	<b>969,402,306</b>
<b>Sub Total A</b>	<b>(1,412,535,070)</b>	<b>(324,915,536)</b>	<b>(33,329,793)</b>	<b>(1,704,120,813)</b>	<b>(648,038,742)</b>	<b>(101,732,586)</b>	<b>(15,052,823)</b>	<b>(734,718,505)</b>	<b>(969,402,306)</b>	<b>(764,496,328)</b>
<b>B Intangible Assets</b>										
<b>1 Computer Software</b>	7,424,806 (7,014,261)	281,950 (410,545)	- -	7,706,756 (7,424,806)	3,947,681 (3,121,700)	824,233 (825,981)	- -	4,771,915 (3,947,681)	2,934,842 (3,477,125)	3,477,125 (3,892,560)
<b>Sub Total B</b>	<b>7,424,806</b>	<b>281,950</b>	<b>-</b>	<b>7,706,756</b>	<b>3,947,681</b>	<b>824,233</b>	<b>-</b>	<b>4,771,915</b>	<b>2,934,842</b>	<b>3,477,125</b>
<b>Sub Total B</b>	<b>(7,014,261)</b>	<b>(410,545)</b>	<b>-</b>	<b>(7,424,806)</b>	<b>(3,121,700)</b>	<b>(825,981)</b>	<b>-</b>	<b>(3,947,681)</b>	<b>(3,477,125)</b>	<b>(3,892,560)</b>
<b>Total (A + B)</b>	<b>1,711,545,619</b>	<b>102,506,816</b>	<b>7,413,551</b>	<b>1,806,638,884</b>	<b>738,666,189</b>	<b>133,543,225</b>	<b>6,150,522</b>	<b>866,058,894</b>	<b>940,579,991</b>	<b>972,879,431</b>
<b>Total (A + B)</b>	<b>(1,419,549,331)</b>	<b>(325,326,081)</b>	<b>(33,329,793)</b>	<b>(1,711,545,619)</b>	<b>(651,160,444)</b>	<b>(102,558,568)</b>	<b>(15,052,823)</b>	<b>(738,666,186)</b>	<b>(972,879,431)</b>	<b>(768,388,888)</b>

Capital work in process includes Researrch & Development expenses of Rs.10.16 Lakhs (Previous year Rs. Nil)

**Note 13 : Non Current Investment**

(Amt in ₹)

Particulars	As at 31st March-2017	As at 31st March-2016
<b>Investments (At cost unless stated otherwise)</b>		
<b>A Trade Investments</b>		
<b>1 Unquoted Equity Instrument</b>		
Investments in Others		
119,000 Equity Shares of Rs.10/ each of Panax Appliances Pvt Ltd fully paid up (PY 124,000 Equity Shares of Rs.10/- each)	1,190,000	1,190,000
	1,190,000	1,190,000
Less : Provision for diminution in the value of Investments	1,190,000	1,190,000
	-	-
<b>2 Unquoted Preference Instrument</b>		
871,000 6 % Cumulative Redeemable Preference Shares of ₹ 4/- each of Panax Appliances Pvt Ltd fully paid up (PY 871,000 at Rs.4/- each )	2,704,000	2,704,000
Less : Provision for diminution in the value of Investments	705,510	705,510
	1,998,490	1,998,490
<b>Sub Total (A)</b>	<b>1,998,490</b>	<b>1,998,490</b>
<b>B Other Investments (at Cost)</b>		
<b>1</b> 325 Shares of ₹ 25 each of The Citizen Co-Operative Credit Society Ltd, fully paid up	8,125	8,125
<b>2</b> 1340 shares of ₹ 10/- of Co-Operative Bank Of Baroda, fully paid up.	33,501	33,501
<b>Sub Total (B)</b>	<b>41,626</b>	<b>41,626</b>
<b>Total</b>	<b>2,040,116</b>	<b>2,040,116</b>

**Note 14 : Long Term Loans & Advances**

(Amt in ₹)

Particulars	As at 31st March-2017	As at 31st March-2016
<b>1 Capital Advances</b>		
(Unsecured, considered good)	61,861,780	24,833,343
<b>2 Security Deposits</b>		
(Unsecured, considered good)	2,071,479	2,067,479
<b>3 MAT credit entitlement</b>	29,734,835	19,232,744
<b>Total</b>	<b>93,668,094</b>	<b>46,133,566</b>

The Company does not have any loans or advances due from any Private Company in which a Director of the Company is a member, in the current year as well as previous year.



**Note 15 : Inventories**

(Amt in ₹)

Particulars	As at 31st March-2017	As at 31st March-2016
1 Raw Materials and components (Goods in transit Rs.16,501,753 (PY 15,799,680))	183,322,609	150,039,251
2 Work-in-progress	41,831,500	30,564,713
3 Finished goods	36,698,624	36,059,825
4 Stores and spares	3,192,482	2,138,499
5 Packing Materials	10,305,983	6,027,915
<b>Total</b>	<b>275,351,198</b>	<b>224,830,203</b>

**Note 16 : Trade Receivables**

(Amt in ₹)

Particulars	As at 31st March-2017	As at 31st March-2016
1 Trade receivables outstanding for a period less than six months from the date they were due for payment Unsecured, considered good	455,348,463	359,212,767
<b>Sub Total</b>	<b>455,348,463</b>	<b>359,212,767</b>
2 Trade receivables outstanding for a period exceeding six months from the date they were due for payment Unsecured, considered good	8,960,509	1,425,882
<b>Sub Total</b>	<b>8,960,509</b>	<b>1,425,882</b>
<b>Total</b>	<b>464,308,972</b>	<b>360,638,649</b>

**Note 17 : Cash and Cash Equivalents**

(Amt in ₹)

Particulars	As at 31st March-2017	As at 31st March-2016
1 Cash on Hand	213,186	1,401,684
2 Balances with banks		
(i) In current accounts	3,244,304	52,856,621
(ii) In EEFC accounts	2,311,035	33,998,416
(iii) In deposit accounts	-	1,686,637
(iv) In earmarked accounts		
- Unpaid dividend accounts	126,328	67,364
- Balances held as margin money or security against borrowings, guarantees and other commitments	30,689,393	41,577,967
<b>Total</b>	<b>36,584,246</b>	<b>131,588,689</b>

Of the above, the balance that confirms the definition of cash and cash equivalents as per AS-3 Cash Flow Statement, ₹ 5,768,525/- (Previous year ₹ 88,256,721/-)

**Note 18 : Short Term Loans and Advances**

(Amt in ₹)

Particulars	As at 31st March-2017	As at 31st March-2016
1 <b>Loans and advances to employees</b> (Unsecured, considered good)	320,309	63,300
2 <b>Prepaid expenses</b> (Unsecured, considered good)	10,132,453	6,943,561
3 <b>Advance payment of tax (Net of provision)</b>	-	2,723,073
4 <b>Advance recoverable in cash or kind for the value to be received</b> (Unsecured, considered good)	42,158,210	19,662,052
5 <b>Balances with Government authorities</b> (Unsecured, considered good)		
(i) CENVAT credit receivable	76,386,164	79,952,261
(ii) VAT credit receivable	6,246,523	5,985,887
(iii) Service Tax credit receivable	12,043,919	9,505,928
(iv) Advance Import Duty	-	569,476
(v) FPS & MEIS (DGFT) Import Licence receivable	38,506,464	7,665,763
6 <b>MAT Credit Entitlement</b>	22,552,956	33,896,471
<b>Total</b>	<b>208,346,998</b>	<b>166,967,772</b>

Short term loans and advances includes amounts due from :

Particulars	As at 31st March-2017	As at 31st March-2016
Officers of the Company - other than Directors	320,309	63,300

**Note 19 : Other current assets**

(Amt in ₹)

Particulars	As at 31st March-2017	As at 31st March-2016
1 <b>Unamortised expenses</b>		
(i) Share issue expenses	-	478,050
2 <b>Interest accrued on deposits &amp; other income receivable</b>	478,433	1,315,678
<b>Total</b>	<b>478,433</b>	<b>1,793,728</b>

**Note 20 : Revenue**

(Amt in ₹)

Particulars	For the period ended 31 March, 2017	For the period ended 31 March, 2016
1 <b>Sale of Products (Gross)</b>	<b>2,458,955,076</b>	<b>2,269,013,848</b>
Export Sales	1,865,037,611	1,686,703,426
Domestic Sales	593,917,465	582,310,422

Less: Excise Duty	(62,078,640)	(56,405,835)
<b>Net Sales</b>	<b>2,396,876,436</b>	<b>2,212,608,013</b>
2 Sale of services	16,930,024	11,334,244
3 Other operating revenue	49,942,435	31,451,437
	<b>2,463,748,895</b>	<b>2,255,393,694</b>

(Amt in ₹)

Note	Particulars	For the period ended 31 March, 2017	For the period ended 31 March, 2016
(i)	Sale of products comprises:		
	<u>Manufactured goods</u>		
	Components and Articles of Plastics/Moulds	2,396,876,436	2,212,608,013
	<b>Total - Sale of Products</b>	<b>2,396,876,436</b>	<b>2,212,608,013</b>
(ii)	Sale of services comprises:		
	Design and Development	16,930,024	11,334,244
	<b>Total - Sale of services</b>	<b>16,930,024</b>	<b>11,334,244</b>
(iii)	Other operating revenues comprises:		
	Sale of scrap	1,875,282	998,912
	Duty drawback incentives	1,085,051	977,508
	Service Tax refund/Rebate/Credit	2,116,726	1,398,324
	Export Incentive	44,865,376	28,076,693
	<b>Total - Other operating revenues</b>	<b>49,942,435</b>	<b>31,451,437</b>
		<b>2,463,748,895</b>	<b>2,255,393,694</b>

**Note 21 : Other Income**

(Amt in ₹)

	Paticulars	For the period ended 31 March, 2017	For the period ended 31 March, 2016
1	Interest Income	3,828,126	4,367,158
2	Profit on sales of mutual fund	17,491,589	20,781,614
3	Net gain on foreign currency transactions and translation	9,554,344	-
4	Other non-operating income (net of expenses directly attributable to such income)	2,858,383	2,801,728
	<b>Total</b>	<b>33,732,442</b>	<b>27,950,500</b>

(Amt in ₹)

Note	Particulars	For the period ended 31 March, 2017	For the period ended 31 March, 2016
(i)	Interest income comprises:		
	Interest from banks on deposits	2,808,627	3,350,985
	Interest on IT refund	856,989	-
	Other interest	162,510	1,016,173

	<b>Total - Interest income</b>	<b>3,828,126</b>	<b>4,367,158</b>
(ii)	<b>Other non-operating income comprises:</b>		
	Profit on sale of fixed assets	959,267	1,602,616
	Net gain on foreign currency transactions and translation	9,554,344	-
	Liabilities / provisions no longer required written back	1,331,413	7,205
	Insurance Claim	567,703	785,181
	Profit on sale of mutual fund	17,491,589	20,781,614
	MGVCL deposit refund	-	406,726
	<b>Total - Other non-operating income</b>	<b>29,904,316</b>	<b>23,583,342</b>

**Note 22 : Cost of Raw Material (Including purchased components) consumed**

(Amt in ₹)

Particulars	For the period ended 31 March, 2017	For the period ended 31 March, 2016
1 Opening stock	150,039,251	147,902,485
2 Add: Purchases	1,377,976,904	1,248,442,576
	<b>1,528,016,155</b>	<b>1,396,345,061</b>
3 Less: Closing stock	183,322,609	150,039,251
<b>Total</b>	<b>1,344,693,546</b>	<b>1,246,305,810</b>
<b>Material consumed comprises:</b>		
(i) Plastic Granules	1,201,477,676	1,049,524,220
(ii) Mould Materials	33,854,995	100,124,484
(iii) Other Materials and Components	109,360,875	96,657,106
<b>Total</b>	<b>1,344,693,546</b>	<b>1,246,305,810</b>

**Note 23 : Changes in Inventories of finished goods & work in progress**

(Amt in ₹)

Particulars	For the period ended 31 March, 2017	For the period ended 31 March, 2016
1 <u>Inventories at the end of the year:</u>		
(i) Finished goods	36,698,624	36,059,825
(ii) Work-in-progress	41,831,500	30,564,713
	<b>78,530,124</b>	<b>66,624,538</b>
2 <u>Inventories at the beginning of the year:</u>		
(i) Finished goods	36,059,825	13,999,724
(ii) Work-in-progress	30,564,713	28,630,436
	<b>66,624,538</b>	<b>42,630,160</b>
<b>Net (increase) / Decrease</b>	<b>(11,905,586)</b>	<b>(23,994,378)</b>

**Note 24 : Employee Benefit Expenses**

(Amt in ₹)

Particulars	For the period ended 31 March, 2017	For the period ended 31 March, 2016
1 Salaries and Wages	229,124,164	208,563,919
2 Contributions to provident and other funds	25,984,406	14,678,079

3 Staff Welfare Expenses	11,375,489	10,861,373
<b>Total</b>	<b>266,484,059</b>	<b>234,103,371</b>

Employee benefit expenses includes R&D salary expenses of Rs.148.86 Lakhs (Previous year Rs. Nil)

#### Note 25 : Finance Costs

(Amt in ₹)

Particulars	For the period ended 31 March, 2017	For the period ended 31 March, 2016
1 Interest expense on:		
(i) Borrowings	72,969,885	80,815,164
[Including interest rate swap related charges of Rs. 65,36,645/- (PY Rs.1,11,65,254/-)]		
(ii) Public Deposit	621,381	1,436,042
(iii) Interest others	90,786	312,889
2 Other borrowing costs	5,170,690	9,647,164
3 Net loss on foreign currency transactions and translation (considered as finance cost)	-	9,133,744
<b>Total</b>	<b>78,852,742</b>	<b>101,345,003</b>

#### Note 26 : Other Expenses

(Amt in ₹)

Particulars	For the period ended 31 March, 2017	For the period ended 31 March, 2016
1 Power and fuel	131,967,573	114,476,971
2 Packing expense	178,394,329	150,522,555
3 Stores and spares consumed	12,887,353	14,119,182
4 Labour Charges	2,097,809	2,444,598
5 Increase / (Decrease) of excise duty on inventory	150,572	861,440
6 Repairs & maintenance		
Building	3,053,439	1,504,503
Plant & Machinery	18,150,174	18,952,250
Others	8,714,568	7,859,380
7 Rent	5,135,036	4,667,978
8 Rates and taxes	249,072	305,178
9 Insurance	4,962,148	5,507,486
10 Conveyance expense	1,291,328	1,083,815
11 Postage and telephone expense	1,983,230	1,681,183
12 Printing and stationery	1,941,469	1,657,577
13 Vehicle expense	5,702,548	4,466,660
14 Legal and professional	8,376,665	17,070,793
15 Directors' Sitting Fees	1,074,450	766,125
16 Sales commission ,discount and Fees	12,874,708	10,665,715
17 Payments to auditors (Refer Note (i) below)	1,500,000	1,500,000
18 Travelling expense	17,736,428	16,870,950
19 Carriage outwards	17,610,774	16,717,394
20 Advertisement	452,833	173,062

21	Corporate social responsibility	1,288,114	1,629,000
22	Amortisation of share issue expenses and discount on shares	478,050	478,050
23	Royalty	2,629,113	-
24	Bad trade and other receivables, loans and advances written off	213	555,820
25	Provision for Diminution in the value of investments	-	705,510
26	Testing fees	5,117,912	2,613,244
27	Loss on Fixed Assets sold/Scraps/Written off(net)	-	2,522,416
28	Miscellaneous Expenses	8,006,002	6,496,828
<b>Total</b>		<b>453,825,910</b>	<b>408,875,663</b>

Other expenses includes Research and Development expenses of Rs.17.51 Lakhs (Previous year Rs. Nil)

**Notes:**

Particulars	For the period ended 31 March, 2017	For the period ended 31 March, 2016
Payments to the auditors comprises (net of service tax input credit):		
(i) To statutory auditors'		
- Statutory audit	1,250,000	1,250,000
- Tax audit	250,000	250,000
<b>Total</b>	<b>1,500,000</b>	<b>1,500,000</b>

**Note 27 : Additional information to the financial statements**

(Amt in ₹)

Note	Particulars	As at 31 March, 2017	As at 31 March, 2016
<b>27.1</b>	<b>Contingent liabilities and commitments (to the extent not provided for)</b>		
(i)	Contingent liabilities		
	(a) Guarantees (Given to Central Excise & Customs for material sent for jobwork, to Madhya Gujarat Vij Co. as security deposit)	37,081,705	30,373,524
	(b) Income Tax	246,370	246,370
	(c) Sales Tax	574,161	574,161
	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 the judgements received in favor of the Company in past years on similar matters.		
(ii)	Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for		
	-Tangible assets	140,818,490	12,659,504

**27.2 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges**

Loans and advances in the nature of loans given to subsidiaries, associates, forms/companies in which directors are interested :

Name of the party	Relationship	Amount outstanding as at 31 March, 2017	Maximum balance outstanding during the year
Shaily Medical Plastics Private Limited	Significant Influence	1,000,000 (Nil)	1,000,000 (Nil)
Shaily IDC (India) Private Limited ( <i>net balance written-off</i> )	Significant Influence	Nil (Nil)	Nil (2,002,373)
Note: Figures in brackets relate to the previous year.			

**27.3 Disclosures under rule 16A of the companies (Acceptance of Deposits) Rules, 2014.**

Particulars	Amount outstanding as at 31 March, 2017	Amount outstanding as at 31 March, 2016
Money received from 1 Director during the year	2,500,000	-
Balance outstanding at the end of the year	1,885,000	11,300,000

**27.4 Details on derivatives instruments and unhedged foreign currency exposures**

I. The Company has taken Interest Rate Swaps to hedge against fluctuation in interest rate changes. No. of contracts 2. ( As at 31st March, 2016 - 2).

(b) Currency swaps (other than forward exchange contracts stated above) to hedge against fluctuations in changes in exchange rate. No. of contracts: Nil (As at 31 March, 2016: Nil)

Note	Particulars			
II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:	As at 31 March, 2017		As at 31 March, 2016	
	Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency	Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency
	Trade Payables			
	(39,726,230)	USD (612,586)	(31,035,378)	USD (468,423)
	(2,795,182)	EUR (40,339)	(425,375)	EUR (5,642)
	(144,116)	GBP (1,781)	(942,030)	GBP (9,867)
	(1,319)	MYR (90)	(520,105)	JPY (881,759)
Trade Receivables				
	120,273,791	USD 1,854,646	131,594,287	USD 1,986,179
	278,699	EUR 4,022	117,336	EUR 1,556

<b>Advances given</b>				
85,078,647	USD 1,311,930	33,561,699	USD 506,553	
1,328,853	EUR 19,177	963,605	EUR 12,781	
		14,280	GBP 150	
		14,726,785	JPY 24,967,000	
<b>Loans Taken</b>				
(143,733,458)	USD (2,216,399)	(266,104,713)	USD (4,016,372)	
<b>Bank balances</b>				
2,311,035	USD 35,637	33,998,415	USD 513,145	

(Amt in ₹)

27.5	Value of imports calculated on CIF basis:	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Raw materials	585,277,338	584,529,682
	Moulds	16,751,745	7,008,882
	Capital goods	38,649,583	71,207,850
	<b>Total</b>	<b>640,678,666</b>	<b>662,746,414</b>

(Amt in ₹)

27.6	Expenditure in foreign currency:	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Professional and consultation fees	4,203,975	3,948,300
	Godown Rent	3,610,036	2,957,977
	Testing Charges	2,534,439	2,296,307
	Sales Promotion	599,959	727,166
	Foreign travelling	2,326,977	2,643,525
	Interest on ECB	14,140,377	21,606,076
	Royalty	2,366,996	-

Note	Particulars		
27.7	Details of consumption of imported and indigenous items	For the year ended 31 March, 2017	
		₹	%
	<u>Imported</u>		
	Raw materials	669,775,897	49.81%
		(643,754,825)	51.65%
	Stores and spares	-	0.00%
		(321,594)	2.28%
	<u>Indigenous</u>		
	Raw materials	674,917,648	50.19%
		(602,550,986)	48.35%
	Stores and spares	12,887,353	100.00%
		(13,797,588)	97.72%
	<i>Note: Figures in brackets relates to the previous year</i>		



27.8	Earnings in foreign exchange:	For the year ended 31 March, 2017	For the year ended 31 March, 2016
		₹	%
	Export of goods calculated on FOB basis	1,865,037,611	1,686,703,426

27.9	Specified bank notes disclosures	SBNs	Other denomination notes	Total
	Closing cash in hand as on November 8, 2016	1,672,500	339,805	2,012,305
	(+) Permitted receipts	-	650,000	650,000
	(-) Permitted payments	-	630,930	630,930
	(-) Amount deposited in Banks	1,672,500	-	1,672,500
	Closing cash in hand as on December 30, 2016	-	358,875	358,875

27.10	Expenditure incurred for Research and Development:		
	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
		₹	₹
	Capital	1,016,413	1,500,000
	Recurring	16,637,417	21,000,000
	<b>Total</b>	<b>17,653,830</b>	<b>22,500,000</b>

#### Note 28 : Disclosures under Accounting Standards

Note	Particulars
28.1	<b>Employee benefit plans</b>
28.1 a	<p>Defined contribution plans</p> <p>The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹10,548,170/- (Year ended 31 March, 2016 ₹ 8,658,872/-) for Provident Fund contributions and ₹ 2,289,818/- (Year ended 31 March, 2016 ₹ 2,470,055/-) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.</p>
28.1 b	<p><u>Defined benefit plans</u></p> <p>The Company offers the following employee benefit schemes to its employees:</p> <p>i. Gratuity</p> <p>ii. Leave Encashment</p> <p>The following table sets out the funded status of the gratuity and leave encashment and the amount recognised in the financial statements:</p>

	Particulars	Year ended 31 March, 2017		Year ended 31 March, 2016	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>I</b>	<b>Expense recognized in Profit &amp; Loss Account for the year ended 31st March</b>				
a.	Current Service Cost	1,663,290	3,776,801	1,607,728	1,870,331
b.	Interest cost	1,253,484	541,924	1,388,130	544,972
c.	Expected return on plan assets	(1,351,927)	-	(1,664,606)	-
d.	Actuarial (Gain)/Loss on obligation	2,381,571	1,976,591	1,669,780	1,309,133
e.	Past Service Cost	9,200,000	-	-	-
f.	Net expense recognised in Profit & Loss Account (in Note 23 – Employee Benefit Expenses)	<b>13,146,418</b>	<b>6,295,316</b>	<b>3,001,032</b>	<b>3,724,436</b>
<b>II</b>	<b>Changes in Obligation during the year ended 31st March</b>				
a.	Obligation as on 1st April	20,817,574	8,034,131	17,534,917	8,713,292
b.	Current service cost	1,663,290	3,776,801	1,607,728	1,870,331
c.	Interest cost	1,253,484	541,924	1,388,130	544,972
d.	Actuarial (Gain)/Loss on obligation	3,561,962	1,976,591	1,083,487	1,309,133
e.	Past Service Cost	9,200,000	-	-	-
f.	Benefits Paid	(1,082,374)	(1,038,527)	(796,688)	(2,163,414)
g.	PV of Obligation as on 31st March	<b>35,413,936</b>	<b>13,290,920</b>	<b>20,817,574</b>	<b>10,274,314</b>
<b>III</b>	<b>Changes in Plan Assets during the year ended 31st March</b>				
a.	Fair Value of Plan Assets as on 1st April	20,817,574	-	17,845,107	-
b.	Expected return on Plan assets	1,351,927	-	1,664,606	-
c.	Actuarial Gain/(Loss)	1,180,391	-	(586,293)	-
d.	Contributions	13,225,000	-	2,690,843	-
e.	Benefits Paid	(1,082,374)	-	(796,689)	-
f.	Actual return on plan assets	-	-	-	-
g.	Fair Value of Plan Assets as on 31st March	<b>35,492,518</b>	<b>-</b>	<b>20,817,574</b>	<b>-</b>
<b>IV</b>	<b>Net Assets / Liabilities recognized in the Balance Sheet as at 31st March</b>				
a.	PV of Obligation as on 31st March	35,413,936	13,290,920	20,817,574	10,274,314
b.	Fair Value of Plan Assets as on 31st March	35,492,518	-	20,817,574	-
c.	Net Liabilities / (Assets) recognised in the Balance Sheet as at 31st March	<b>(78,582)</b>	<b>13,290,920</b>	<b>-</b>	<b>10,274,314</b>
<b>V</b>	<b>Principal Actuarial Assumptions</b>				
a.	Discount rate as on 31st March (per annum) (Refer Note-1)	7.05%	7.05%	7.85%	7.85%
b.	Rate of return on Plan Assets as at 31st March (per annum) (Refer Note-3)	7.05%	-	7.85%	-
c.	Expected increase in salary costs (per annum) (Refer Note-2)	7% for next 2 years and 5% thereafter	7% for next 2 years and 5% thereafter	4.50%	4.50%

1	Discount rate is determined by reference to market yields at the Balance Sheet date on Govt. Bonds, where the currency and terms of the Govt. Bonds are consistent with the currency and estimated terms for the benefit obligation.
2	The estimate of future salary increases take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
3	100% of Plan Assets are invested in group gratuity scheme offered by HDFC Standard Life Insurance Company Limited - debt security.

Note	Particulars
28.2	Segment Reporting: Business Segment: The Company is engaged in the business of manufacturing of injection molded plastics components, moulds etc., which as per the Accounting Standard (AS 17) 'Segment Reporting' is considered as the only reportable segment

28.3	<b>Related party transactions</b>	
28.3 a	<b>Details of related parties:</b>	
	<b>Description of relationship</b>	<b>Names of related parties</b>
	<b><u>Key Management Personnel</u></b>	
	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
	<b><u>Other Related Parties</u></b>	
	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

Note: Related parties have been identified by the Management.

	<b>Details of related party transactions during the year ended 31 March, 2017 and balances outstanding as at 31 March, 2017</b>				<b>₹</b>
28.3 b		<b>KMP</b>	<b>Relatives of KMP</b>	<b>Entities in which KMP / relatives of KMP have significant influence</b>	<b>Total</b>
	<b>Purchase of fixed assets</b>				
	Mrs Kinjal Bhavsar	-	-	-	-
		-	(502,000)	-	(502,000)
	<b>Remuneration</b>				
	Mr. Mahendra B. Sanghvi	9,010,296	-	-	9,010,296
		(8,880,646)	-	-	(8,880,646)

Mr. Amit M. Sanghvi	11,605,326	-	-	11,605,326
	(9,010,233)	-	-	(9,010,233)
Mr. Laxman B. Sanghvi	6,046,759	-	-	6,046,759
	(5,964,526)	-	-	(5,964,526)
Mrs. Tilottama M. Sanghvi	3,242,988	-	-	3,242,988
	(3,242,988)	-	-	(3,242,988)
Mr. Sanjay Shah	2,976,677	-	-	2,976,677
	(2,803,411)	-	-	(2,803,411)
Mrs. Kinjal Bhavsar(Sanghvi)		1,201,823		1,201,823
		(2,403,646)		(2,403,646)
<b>Rent paid for lease arrangements</b>				
Mrs. Tilottama M. Sanghvi	840,000	-	-	840,000
	(840,000)	-	-	(840,000)
Jariwala Shah Kanji Raichand & Co			300,000	300,000
			(600,000)	(600,000)
<b>Interest paid on deposits</b>				
Mr. Mahendra B. Sanghvi	198,453	-	-	198,453
	(620,802)	-	-	(620,802)
Mr. Laxman B. Sanghvi	175,529	-	-	175,529
	(176,010)	-	-	(176,010)
Mrs. Tilottama M. Sanghvi	184,031	-	-	184,031
	(575,688)	-	-	(575,688)
Mrs Kalpana L Sanghvi	-	63,368	-	63,368
	-	(63,542)	-	(63,542)
<b>Balances outstanding at the end of the year</b>				-
Shaily Medical Plastics Pvt Ltd.	-	-	1,000,000	1,000,000
			-	-
Investment: Panax Appliances Pvt. Ltd	-	-	3,894,000	3,894,000
	-	-	(3,944,000)	(3,944,000)
<b>Trade Payables:</b>				
Panax Appliances Pvt. Ltd	-	-	2,002,784	2,002,784
	-	-	(2,002,784)	(2,002,784)
Note: Figures in bracket relates to the previous year				

Note	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
		₹	₹
<b>28.4</b>	<b>Details of leasing arrangements</b>		
	As Lessee		
	The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and are for a period of 1 year and may be renewed for a further period of 1 year based on mutual agreement of the parties.	840,000	1,710,000

	<b>Future minimum lease payments not later than one year</b>		
	Lease payments recognised in the Statement of Profit and Loss	1,525,000	1,710,000

(Amt in ₹)

Note	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
28.5	The Company has entered into finance lease arrangements for certain vehicles, which provide the company an option to purchase the assets at the end of the lease period. Reconciliation of minimum lease payments Future Minimum Lease Payments - Not later than one year - later than one year and not later than five years - later than five years Less: Unmatured Finance Charges Present value of minimum lease payments - Not later than one year - later than one year and not later than five years - later than five years	   1,183,018 - - 35,820  1,147,198 - -	   3,434,448 1,183,018 - 328,085  3,142,183 1,147,198 -

(Amt in ₹)

Note	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
28.6	<b>Earnings Per Share</b> Number of Equity Shares at the beginning of the year Number of Equity Shares at the end of the year Weighted average number of Equity Shares Outstanding during the year. Face Value of each Equity Share (Rs.) Profit after Tax Available for the Equity Shareholders <b>Profit after Taxation</b> Less: Preference Dividend and tax thereon  <b>Basic Earning Per Share (Rs.)</b> <b>Diluted Earning Per Share (Rs.)</b>	   8,318,430 8,318,430 8,318,430 10  158,770,995 - 158,770,995  19.09 19.09	   8,318,430 8,318,430 8,318,430 10  154,920,074 - 154,920,074  18.62 18.62

(Amt in ₹)

Note	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
28.7	<b>Deferred tax liability</b> Deferred Tax Liability: (A) i) Difference between Accounting and Tax WDV (Cumulative) ii) Other timing differences Deferred Tax Assets: (B) i) Other timing differences	  69,142,525   5,649,601	  68,402,211   5,182,183

ii) Unabsorbed depreciation/ business loss	-	-
Net Deferred Tax Liability	63,492,924	63,220,028
A - B		

(Amt in ₹)

Note	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
28.8	<b>Details of government grants</b>		
	Government grants received by the Company during the year towards		
	i.) Duty drawback (recognised under Other operating revenues)	1,085,051	977,508
	ii.) Other incentives (Merchandise Exports from India Scheme and Focus Product Scheme the revenue of which has been recognised under Other operating revenues)	44,865,376	28,076,693

Note	Particulars
29	The previous year figures have been regrouped / re-classified to conform to the current year's classification

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**SHAILY ENGINEERING PLASTICS LIMITED**

**CIN: L51900GJ1980PLC065554**

Registered Office: Survey No. 364/366, At & Po. Rania - 391780,  
Taluka Savli, Dist. Vadodara

Phone No.: 02667-244307/361 Fax No.: 02667-244372

Email: [investors@shaily.com](mailto:investors@shaily.com) Website: [www.shaily.com](http://www.shaily.com)