

A wide-angle photograph of a modern industrial manufacturing facility. The floor is polished and reflects the overhead lights. In the foreground and middle ground, there are several large, white industrial machines. One machine on the right has a red vertical stripe and the number '200' on its side. Another machine further right is labeled 'ELEKTRON 110'. In the background, there are more machines and a yellow overhead crane system. The ceiling is high with numerous square light fixtures. A diagonal white line cuts across the image from the top left towards the bottom right.

Shaily Engineering Plastics Limited

Presentation – November 2015



**Shaily Engineering
Plastics Limited**

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Shaily at Glance

5 Facilities
in Gujarat

100
Injection
Moulding
Machines

950
Employees



REVENUE

2 Years
CAGR

20 % ↑

EBITDA

2 Years
CAGR

25 % ↑

PAT

2 Years
CAGR

90 % ↑

Customer Trust & Relationships

Producing & Supplying Shellpak with zero-defect for over 2 years



I would like to express my deepest appreciation to you and the Shaily team for over 2 years of quality production to MWV, shipping over 75 million units to MWV customers!!

It is therefore with pleasure that we present this quality recognition award to Shaily...



MWV Healthcare

Producing & Supplying Knobs to GE Appliances for over 18 years



To date Shaily has provided parts to our plants at a PPM level of zero. Deliveries also are being maintained even though some of our plants have increased schedules quite unexpectedly. This has required some real dedication and customer focus on the part of Shaily.

At GE Appliances, I feel we now have a solid quality partner with Shaily Engineering



G.E. Appliances, U.S.A.

Vision & Mission

Vision

Become a USD 100 million
plastics manufacturer with a
Global footprint by 2020”

Mission

“ To Provide end to end solutions
in plastics while delivering
superior quality to our
customers, higher profitability
and value to our Shareholders,
and Sustainability for future
generations”

Introduction



Pioneers in Engineering Plastics

We have to our Credit an Experience of Decades and an Expertise of manufacturing Complex Precision Components & Assemblies

Modified Vicks 5/10 gm container design to ensure leak proof in extreme climatic conditions



Pepsi Aquafina – Designed first of its kind truly tamper evident cap which has now been taken globally by Pepsi

ABB – Commercialized all Low Voltage Switchgear products in India



Sanofi Insulin pen – First innovators pen manufactured & launched from India for global markets



Offering Total Solutions in Plastics

Management

- Key Account
- Supply Chain
- Continuous Improvement

Development

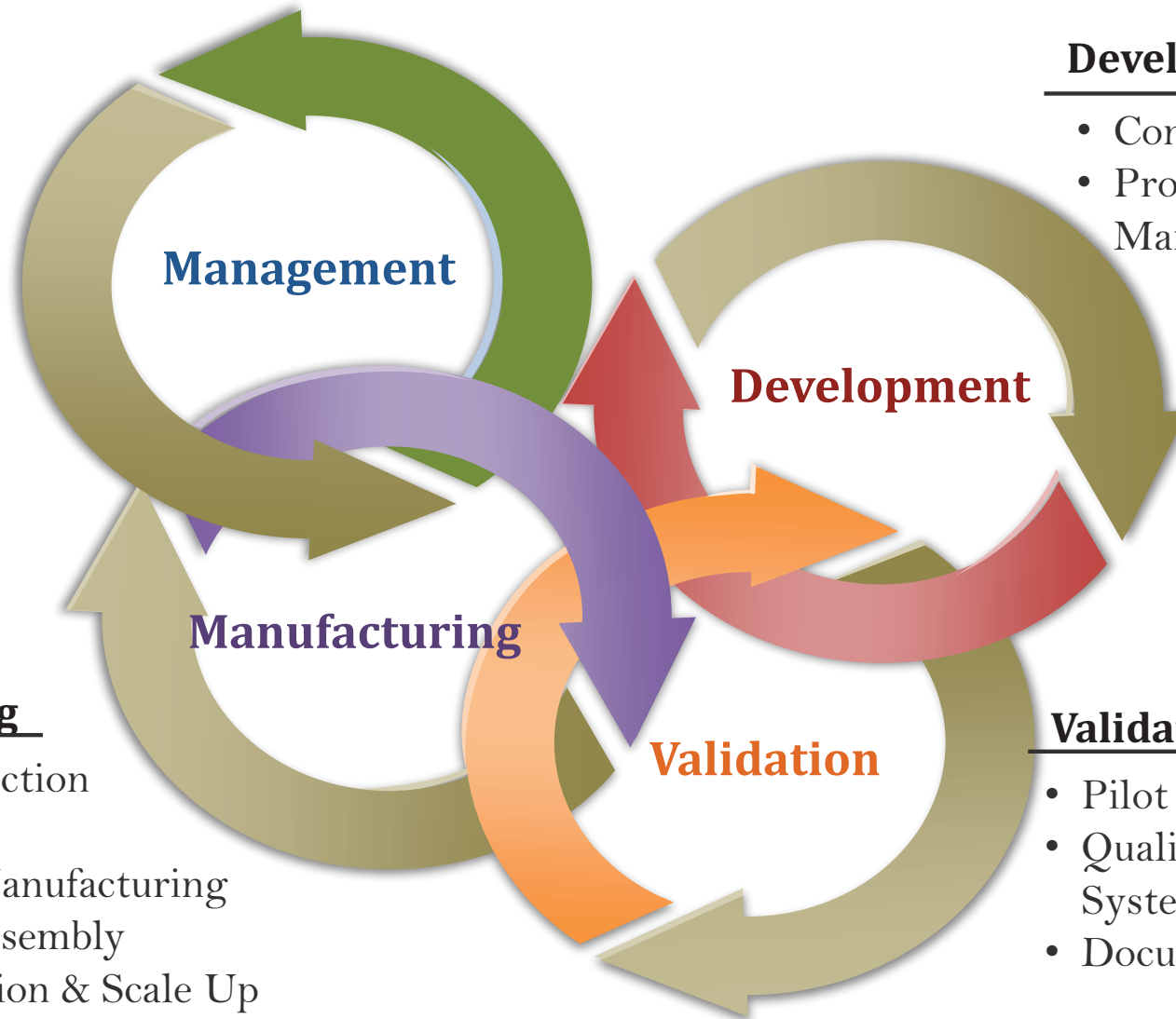
- Conceptualization
- Program Management

Manufacturing

- Precision Injection Moulding
- Cleanroom Manufacturing
- Innovative Assembly
- Industrialization & Scale Up

Validation

- Pilot Testing
- Quality Management System
- Documentation



Concept to Commercialization

Unique Selling Proposition

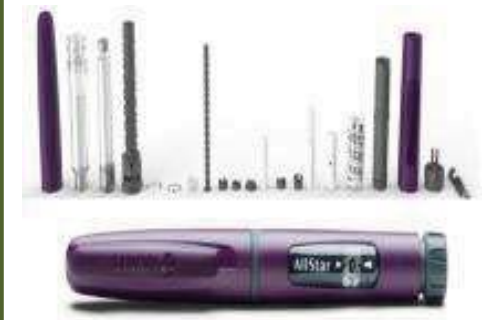


Polymer Expertise

- Our extensive experience in processing filled and unfilled polymers at temperatures as high as 400 degrees Celsius has enabled us to specify types and grades of resin for each individual components of the Wockhardt insulin pen, Honeywell Connector Rod, IKEA storage systems, etc.

Precision Injection & Moulding

- In 1987 Shaily started off as a supplier of Precision Clock Gear components for a Japanese corporation. We have only strengthened this capability over time and are now manufacturing components that weigh > 0.03 grams within 5 micron tolerances



Collaborative Tool Designing & Manufacturing

- Actively collaborate with our tool manufacturing partner, our clients and their external design agencies to design the most cost effective and robust products

Unique Selling Proposition



Product Design

- Take an idea from concept to commercialization through engineering drawing, prototype, testing, tool design and manufacturing of final components and assemblies.
- For products being designed for regulated markets, our design reviews are in compliance with FDA 21 CFR 820.30.

Project Management

- Consistently executes new projects < 6 months (New Facility / Expansion, Molds, Machinery Installation, Automation, Product Development)



Innovative Assembly Solutions

- Specialize in innovating manual, semi – automated and automated assembly processes that optimize cost while maintaining 100% quality

Multiple Industry Applications



Home Furnishing



FMCG



Pharma



Appliances



Engineering



Electrical



Automotive

State-of-the-Art Manufacturing Facilities



Rania Plant



Halol Plant



EOU Plant



Medical Devices Plant



Pharma Packaging Plant

Regulatory Approvals

TUVRheinland - ISO 9001:2008

Scope: Design, development and manufacturing of plastic molded components and assemblies

Automotive - TUV Rheinland – ISO/TS 16949:2009

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

Medical - TUV Rheinland – ISO 13485-2003

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

Medical - ISO 15378 certification

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



TUVRheinland - ISO 13485-2003

Catering to Fortune 100 Companies



Experienced Management

Mr. Mike Sanghvi - Executive Chairman

- Promoter of the company, with over 40 years of experience in Injection Molding
- BAsC in Chemical Engineering
- Diploma in Business Management

Mr. Amit Sanghvi- Managing Director

- 6 years in Project management, Marketing & Strategy
- MSc. (Supply Chain & Manufacturing) & BAsC in Electrical Engineering

Mr. Laxman Sanghvi- Executive Director

- With more than 25 years of experience in Injection Molding Industry & over 15 years in Projects & Procurement
- Qualified as CA, LLB, LLM

Mr. Sanjay Shah - CFO & VP-Finance

- Bachelors of Commerce, HSM
- Extensive knowledge of Company Law
- Over 23 years in managing finance , raising finance , etc

Mr. S.K. Dash - VP-Technical

- BE Plastics
- MBA (Operations Management)
- Over 21 years in managing Operations and New Projects

Mr. Samaresh Parida - Advisor

- MBA from IIM –A
- Chartered Accountant and a Cost Accountant
- Strong experience across various industries and geographies

Awards & Recognitions



MWV Healthcare Award



**Won Export Award Consecutively
For Last 10 Years**



All Star Sanofi Award



Customer Success Stories



Wockhardt - Sole Supplier of Insulin Pens

Shaily & IDC engineered a mechanism that uses 100% plastic components; The World's First

Patented the design and all IPR's transferred to Wockhardt on project completion

2008 IDEA Innovation award winner

Pens are designed to meet UL & FDA approvals, & ISO 11608 1,2&3 certification



Honeywell –Metal Rods to Plastic Rods

Honeywell used 3-piece metal component to each rod for Turbo Chargers in Automotive Applications

Successfully designed “A Single Component Injection Molded Rod”

Honeywell replaced metal rods with plastic rods for Turbo Chargers



Initiated designing plastic rods
Used a high performance polymer
- Poly Ether Ether Ketone (PEEK)

Passed 2 million testing cycles with
substantial increase in productivity
and reduction in costs

Currently Honeywell supplies Turbo
Chargers with Plastic Rods to BMW,
Audi, VW & GM

Only global supplier to convert ‘Metal Rods To Plastic Rods’

Project Management Case Studies

MWV Healthcare

- 1st Business project with **MWV Healthcare** for 'Shellpak' ® commenced in 2008
- Completed facility construction to commercial production in a record time of less than 8 months
- In December 2008 - First Commercial Shipment
- In 2011, Honoured for supplying more than 75 million units with zero-defects



Shipped ~250 million units of "Shellpak®" till Dec'15

IKEA

- Business project with **IKEA** for 2 Different Types Of "Brush" Model commenced in September 2012
- Ventured into manufacturing brushes for the first time
- Completed entire project in less than 5 mths
 - Mould Manufacturing
 - Bristling Machine Commissioning
 - Commercial Production
- In March 13 - First Commercial Shipment

Doubled capacity in March'15

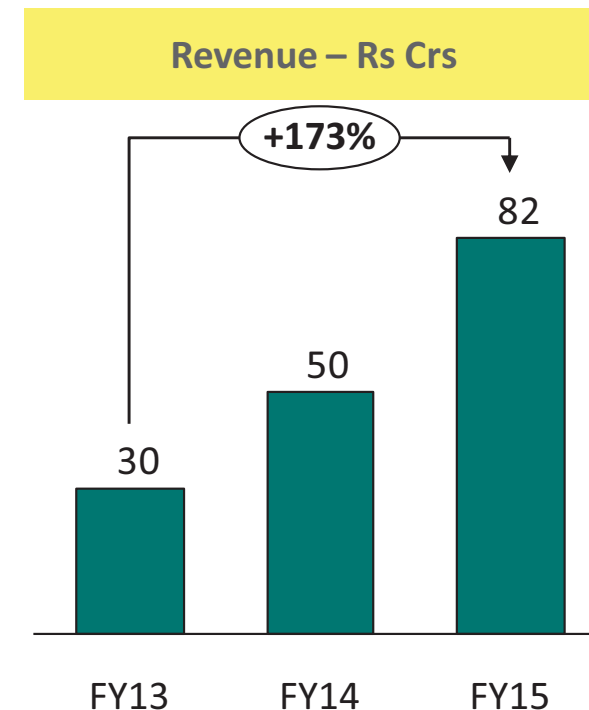


Business Divisions



Home Furnishing

- Associated with IKEA since 2004
- One of IKEA's Preferred Plastic Supplier Globally
- Supplies to ~25 SKUs across various categories of products for European Markets
- Innovating cost efficient processes through value engineering
- Manages entire supply-chain from factory to IKEA stores
- Built Dedicated 100% EOU facility at Rania in 2006 and have expanded 5-6 times over a period of time



IKEA Opportunity

Honored with IWAY Award for BEST TASA Supplier in 2009 by IKEA

IWAY is IKEA group supplier code of conduct comprising IKEA minimum requirements relating to Environment, Social and Working Conditions (including Child Labour)



Swedish home furnishing brand, IKEA, drawn up long-term plan to open 25 stores in the India, with an investment of ~Rs 10,500 Cr



1st major single brand retailer approved by FDI to set up retail operations in India.



Signed a 13-acre land deal with Telangana government to open group's 1st India store. Plans to set up stores in Delhi-NCR, Mumbai and Bengaluru , Surat, Ahmedabad, Pune, Chennai and Kolkata



Signed MOU with UP Government to open 3 stores. These stores will come up at Lucknow, Agra and Noida at an investment of Rs.500 Cr each



Pharmaceuticals – Medical Devices

- Ventured into manufacturing of complex drug delivery devices in early 2000
- Caters to customised client requirement for Regulated Markets
- Product Portfolio includes Insulin Pens, Asthma Inhalers, Speculums, etc.
- Successfully designed Insulin Pens for Wockhardt in 2005/06 in collaboration with IDC, UK.
- Post Wockhardt success, started manufacturing Insulin pens for Sanofi in 2012
- Set-up dedicated plant equipped with ISO Class 8 Clean room facility in Rania, Gujarat



Growth Drivers – Insulin Pens

- IDF estimates ~366 Mn people with diabetes globally, of which India has 2nd largest number of diabetics in the world *
- The World Diabetes Foundation estimates there will be 438 Mn people with diabetes by 2030
- Global market for products in management of diabetes stands at \$41 Bn and is on pace to grow to over \$114 Bn by 2018



Pharmaceuticals - Primary Packaging

- For the first time, Ventured into developing packaging products customized for certain applications
- Tie-up with Global Closure Systems (GCS) – “The Pioneers of CRC (Child Restraint Caps) Closures” for manufacturing in 2014
- Licensed IPR from GCS for CRC caps in Indian Market
- Commissioned dedicated facility at Rania, in 2015
- ISO Class 8 Clean room Facility certified with ISO 15378
- Capacity created of 100 mn caps and bottles per annum
- To cater to demand from Indian pharma players



Progressed from 'Client Driven Approach' to “Product Driven Approach”

Pharma Business - Entry Barriers

First Movers Advantage : Regulatory Approvals for Manufacturing Facilities and Customer Audits

- FDA CFR 21 part 820 quality system regulation and cGMP
- MDD 93/42 EEC Medical Device Directive

01

**Quality
Management
System**

- Necessary knowledge and capabilities to support customers in NDA and 510K registrations

02

**DMF Filing
Experience**

- Be a part of the pharma companies ANDA filings
- Assures longevity of Business & Relationship

03

**Included in
ANDA Filing of
Customers**

- Cost of packaging forms a very small portion of total cost of the drug
- Less motivation for a pharma company to change in supplier

04

**Packaging cost
less portion of
Medicine Costs**

Other Growing Segments

Automotive

- Serviced from Rania Plant
- Present in niche high value segment
 - Engine components
 - Chassis & Brake system components
 - Interior Safety Systems

Honeywell – Plastic Rods



FMCG

- Serviced from Rania Plant
- Present across segments where high value decoration & assembly is required
- Providing customers with customized solutions for high volume requirements.

Lakme Absolute



Financial Performance



Quarterly Income Statement

Particulars in Rs. Crs	Q2 FY16	Q2 FY15	YoY %	Q1 FY16	QoQ%
Total Sales Revenue	61.7	46.1	33.7%	54.5	13.2%
Raw Material	37.8	29.1		33.4	
Employee Expenses	6.2	4.8		6.0	
Other Expenses	6.7	5.1		6.3	
EBITDA	11	7.1	53.7%	8.8	24.9%
<i>EBITDA Margin</i>	17.8%	15.5%		16.1%	
Other Income	0.8	0.4		0.2	
Depreciation	2.2	1.5		2.0	
Finance Cost	3.2	1.4		1.9	
PBT	6.4	4.6	40.6%	5.1	27.2%
<i>PBT Margin</i>	10.4%	9.8%		9.3%	
Tax	2.3	0.7		1.5	
PAT	4.1	3.9	7%	3.5	18%
<i>PAT Margin</i>	6.7%	8.3%		6.2%	

Half Yearly - Income Statement

Particulars in Rs.Crs	H1 FY16	H1 FY15	YoY %
Total Sales Revenue	116.1	85.0	36.5%
Raw Material	71.2	53.0	
Employee Expenses	12.2	9.6	
Other Expenses	13.0	9.5	
EBITDA	19.8	13.0	52.2%
<i>EBITDA Margin</i>	17.0%	15.3%	
Other Income	0.9	0.4	
Depreciation	4.2	3.2	
Finance Costs	5.1	3.0	
PBT	11.3	7.2	58.0%
<i>PBT Margin</i>	9.8%	8.4%	
Tax	3.8	1.4	
PAT	7.5	5.7	31%
<i>PAT Margin</i>	6.5%	6.7%	

Balance Sheet

Rs. Crs.	Sep-15	Mar-15
Shareholder's Fund	85.8	78.3
Share capital	8.3	8.3
Reserves & Surplus	77.5	70.0
Non-current liabilities	43.6	40.6
Long term borrowings	35.6	32.7
Deferred Tax Liabilities (net)	5.3	5.0
Other non-current liabilities	2.7	3.0
Current liabilities	83.0	73.6
Short term borrowings	42.6	36.9
Trade Payables	21.4	15.1
Other current liabilities	19.0	21.6
Total Liabilities	212.4	192.5

Rs. Crs.	Sep-15	Mar-15
Non-current assets	99.5	87.0
Fixed assets	88.2	77.6
Long-term loans and advances	11.0	9.4
Non-current investments	0.3	0.3
Current assets	113.0	105.5
Current Investments	22.5	25.4
Inventories	23.3	20.1
Trade receivables	41.5	37.2
Cash and bank balances	6.0	5.9
Short-term loans and advances	19.3	16.9
Other current assets	0.4	0
Total Assets	212.4	192.5

Annual Income Statement

Particulars in Rs.Crs	FY15	FY14	FY13
Total Sales Revenue	179.7	151.3	123.4
Raw Material	113.4	86.6	69.0
Employee Expenses	19.5	16.0	13.1
Other Expenses	20.3	24.0	23.7
EBITDA	26.5	24.6	17.6
<i>EBITDA Margin</i>	14.7%	16.3%	14.3%
Other Income	1.6	0.0	0.0
Depreciation	6.4	6.0	5.6
Finance Cost	6.7	8.4	6.9
PBT	14.9	10.2	5.1
<i>PBT Margin</i>	8.3%	6.8%	4.1%
Tax	1.9	3.7	1.4
PAT	13.0	6.6	3.6
<i>PAT Margin</i>	7.2%	4.4%	2.9%

Annual Balance Sheet

Rs. Crs.	FY15	FY14	FY13
Shareholder's Fund	78.3	42.6	36.0
Share capital	8.3	7.3	7.3
Reserves & Surplus	70.0	35.2	28.7
Non-current liabilities	40.6	43	19.8
Long term borrowings	32.7	38.2	15.1
Deferred Tax Liabilities (net)	5.0	3.2	3.1
Other non-current liabilities	3.0	1.9	1.6
Current liabilities	73.6	57.8	51.5
Short term borrowings	36.9	21.5	22.8
Trade Payables	15.1	27.1	18.0
Other current liabilities	21.6	9.2	10.7
Total Liabilities	192.5	143.6	107.2

Rs. Crs.	FY15	FY14	FY13
Non-current assets	87.0	58.0	50
Fixed assets	77.6	49.8	45.2
Long-term loans and advances	9.4	8.2	4.8
Non-current investments	0	0	0
Current assets	105.5	85.6	57.2
Current Investments	25.4	0	0
Inventories	20.1	15.2	12.5
Trade receivables	37.2	32.6	26.2
Cash and bank balances	5.9	24.5	6.6
Short-term loans and advances	16.9	13.2	11.8
Other current assets	0	0	0.2
Total Assets	192.5	143.6	107.1

For further information, please contact:

Company :

Shaily Engineering Plastics Ltd.
CIN – L51900GJ1980PLC065554
Mr. Sanjay Shah,
CFO & VP- Finance
sanjay@shaily.com

www.shaily.com

Investor Relations Advisors :

Strategic Growth Advisors Pvt. Ltd.
CIN - U74140MH2010PTC204285
Mr. Arpit Gandhi / Ms. Sanjita Ghosh
garpit@sgapl.net / gsanjita@sgapl.net
+91 9819614277 / +91 7738359389

www.sgapl.net
