

B S R & Associates LLP

Chartered Accountants

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Limited review report on Unaudited Quarterly and Year-to-date financial results of Shaily Engineering Plastics Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To Board of Directors of Shaily Engineering Plastics Limited

1. We have reviewed the accompanying Statement of unaudited financial results of Shaily Engineering Plastics Limited ("the Company") for the quarter ended 30 September 2020 and year-to-date results for the period 1 April 2020 to 30 September 2020 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, as amended ('Listing Regulations').
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231W/W-100024

Place: Ahmedabad

Date: 07 November 2020

Jeyur Shah

Partner

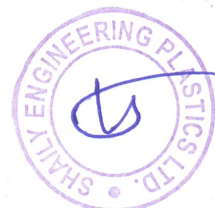
Membership No: 045754

UDIN: 20045754AAAAFM4254

Shaily Engineering Plastics Limited.
 Regd Office : Survey No.364/366 At & PO Rania, Taluka Savli Dist; Baroda 391780
 Email : investors@shaily.com Website : www.shaily.com
 CIN : L51900GJ1980PLC065554

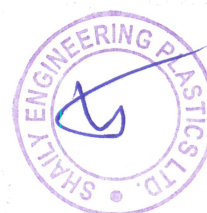
Statement of unaudited financial results for the quarter and six months ended September 30, 2020

Sr No.	Particulars	For the quarter ended			For the six months ended		(Rs. In Lakhs)
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	For the year ended
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	March 31, 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Income						
	Revenue from operations	9,872.21	4,660.48	8,757.95	14,532.69	16,817.34	33,604.23
	Other Income	11.49	4.31	78.47	15.80	85.58	99.07
	Total Income	9,883.70	4,664.79	8,836.42	14,548.49	16,902.92	33,703.30
II	Expenses						
	Cost of materials consumed	5,695.88	2,945.84	5,195.24	8,641.72	10,109.12	19,906.40
	Changes in Inventories of finished goods and work-in-progress	277.51	(159.45)	117.21	118.06	59.82	(115.88)
	Power and fuel	476.13	274.71	458.48	750.84	900.11	1,737.37
	Employee benefits expense	812.74	701.53	641.16	1,514.27	1,254.32	2,596.62
	Finance costs	308.26	295.24	274.10	603.50	539.97	1,049.90
	Depreciation and amortisation	460.22	451.81	450.78	912.03	871.63	1,789.32
	Other expenses	852.01	556.62	906.61	1,408.63	1,719.16	3,669.80
	Total expenses	8,882.75	5,066.30	8,043.58	13,949.05	15,454.13	30,633.53
III	Profit Before Tax (I - II)	1,000.95	(401.51)	792.84	599.44	1,448.79	3,069.77
IV	Tax expense						
	Current Tax	241.37	(89.10)	237.48	152.27	411.48	810.54
	Excess provision for tax of earlier periods written back	-	-	-	-	-	(44.51)
	Deferred Tax	27.11	(10.31)	(8.28)	16.80	1.12	(55.28)
V	Net Profit after tax (III-IV)	732.47	(302.10)	563.64	430.37	1,036.19	2,359.02
VI	Other Comprehensive Income (OCI)						
	(i) Items that will not be reclassified to profit or loss	5.02	(2.46)	(32.03)	2.56	(34.57)	(9.85)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(1.36)	0.72	9.33	(0.64)	10.07	2.87
	(i) Items that will be reclassified to profit or loss	34.74	(147.30)	-	(112.56)	-	(38.99)
	(ii) Income tax relating to items that will be reclassified to profit or loss	(14.57)	42.89	-	28.32	-	11.35
	Total Other Comprehensive Income	23.83	(106.15)	(22.70)	(82.32)	(24.50)	(34.62)
VII	Total Comprehensive Income for the period (V + VI)	756.30	(408.25)	540.94	348.05	1,011.69	2,324.40
VIII	Paid -up Equity Share Capital (Face Value of Rs. 10/- per Equity Share)	831.84	831.84	831.84	831.84	831.84	831.84
IX	Other Equity excluding Revaluation Reserve						15,106.34
X	Earning Per Share (EPS) of Rs. 10/- each (not annualised)						
	Basic (Rs.)	8.81	(3.63)	6.78	5.17	12.46	28.36
	Diluted (Rs.)	8.81	(3.63)	6.78	5.17	12.46	28.36
See annexed accompanying statement of assets and liabilities, cash flow statement and notes to the financial results.							



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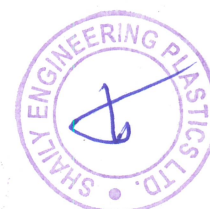
Statement of Assets and Liabilities		(Rs. In Lakhs)	
	Particulars	As at	As at
		September 30, 2020 (Unaudited)	March 31, 2020 (Audited)
A	ASSETS		
1	<u>Non-current assets</u>		
	a) Property, plant and equipment	15,424.63	15,493.06
	b) Capital work-in-progress	5,292.46	3,719.00
	c) Other intangible assets	308.27	214.69
	d) Intangible assets under development	899.70	876.46
	e) Financial assets		
	i. Investments	0.08	20.06
	ii. Loans	45.35	45.26
	f) Income tax assets (net)	542.68	323.66
	g) Other non-current assets	1,528.33	1,395.30
	Total non-current assets	24,041.50	22,087.49
2	<u>Current assets</u>		
	a) Inventories	4,378.90	4,968.82
	b) Financial assets		
	i. Trade receivables	6,390.04	6,102.51
	ii. Cash and cash equivalents	312.28	702.33
	iii. Bank balances other than cash and cash equivalents above	1,616.90	281.81
	iv. Loans	7.26	18.67
	v. Other financial assets	1,288.66	1,387.33
	c) Other current assets	2,235.11	2,598.03
	Total current assets	16,229.15	16,059.50
	TOTAL ASSETS	40,270.65	38,146.99
B	EQUITY AND LIABILITIES		
1	<u>Equity</u>		
	a) Equity share capital	831.84	831.84
	b) Other equity	15,454.40	15,106.34
	TOTAL EQUITY	16,286.24	15,938.18
	LIABILITIES		
2	<u>Non-current liabilities</u>		
	a) Financial liabilities		
	i. Borrowings	9,160.37	7,211.64
	b) Provisions	128.62	145.99
	c) Deferred tax liabilities (Net)	722.02	734.17
	d) Other non-current liabilities	35.25	35.97
	Total non-current liabilities	10,046.26	8,127.77
3	<u>Current liabilities</u>		
	a) Financial liabilities		
	i. Borrowings	4,222.20	5,055.24
	ii. Trade payables		
	(a) total outstanding dues of micro enterprises and small enterprises	358.40	333.74
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	3,868.89	4,783.05
	iii. Other financial liabilities	2,669.95	2,460.89
	b) Other current liabilities	2,764.95	1,379.78
	c) Provisions	54.06	68.34
	Total current liabilities	13,938.15	14,081.04
	TOTAL LIABILITIES	23,984.41	22,208.81
	TOTAL EQUITY AND LIABILITIES	40,270.65	38,146.99



Shaily Engineering Plastics Limited
Cash Flow Statement for the period ended 30th September, 2020

(in ₹ lakhs)		
Particulars	Period ended 30th September, 2020	Period ended 30th September, 2019
A Cash flow from operating activities		
Profit before tax	599.44	1,448.79
Adjustments for:		
Depreciation and amortization expense	912.03	871.63
Loss on sale of property, plant and equipment	0.42	3.23
Interest income	(12.67)	(292.19)
Finance costs	603.50	539.97
Allowance for credit losses	-	12.07
Net unrealised exchange (Gain)/Loss	133.02	4.07
Sundry balances written off	13.54	-
Bad debt written off	-	6.90
Operating profit before working capital changes	2,249.28	2,594.47
Adjustments for:		
(Increase)/decrease in trade receivables	(287.53)	631.79
(Increase)/decrease in other receivables and advances	363.99	(832.11)
(Increase)/decrease in inventories	589.92	338.86
(Increase)/decrease in other financial assets	259.07	849.04
Increase/(decrease) in trade payables	(889.50)	711.67
Increase/(decrease) in other liabilities and provisions	1,270.76	123.51
Cash generated from operations	3,555.99	4,417.23
Taxes paid (net of refunds)	(371.94)	(462.61)
Net cash generated from operating activities	3,184.05	3,954.62
B Cash flow from investing activities		
Payment for purchases of property, plant and equipment (including capital advances)	(2,865.64)	(1,805.52)
Payment for purchases of intangible and Intangible under development	(157.55)	(234.02)
Proceeds from disposal of property, plant and equipment	0.30	0.64
Interest received	10.92	11.46
Bank balances not considered as cash and cash equivalents	(1,335.08)	(79.01)
Net cash flow used in investing activities	(4,347.05)	(2,106.45)
C Cash flow from financing activities		
Proceeds from long term borrowings	2,847.94	950.41
Repayment of long term borrowings	(667.15)	(1,046.61)
Proceeds/(Repayment) of working capital loans (net)	(833.04)	(1,151.19)
Finance costs paid	(580.34)	(527.40)
Net cash flow generated from/(used in) financing activities	767.41	(1,774.79)
D Net increase in cash and cash equivalents.	(395.59)	73.38
Cash & cash equivalents as at beginning of the year	702.33	54.96
Effect of exchange rate changes on cash & cash equivalents held in foreign currencies	5.54	2.52
Cash & cash equivalents as at end of the year	312.28	130.86
Reconciliation of cash & cash equivalents as per cash flow statement :		
Cash & cash equivalents comprise :		
a) Balances with banks		
In current accounts	305.17	0.34
In EEFC accounts	4.50	126.63
b) Cash on Hand	2.61	3.89
Total	312.28	130.86

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



Notes:

- 1 The above unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on November 7, 2020. The Statutory Auditors of the Company have carried out a limited review of the said results.
- 2 The above unaudited financial results of the Company have been prepared in accordance with the Indian Accounting Standards (IND AS) prescribed under section 133 of the Companies Act, 2013 (the "Act") read with relevant rules issued thereunder, other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India.
- 3 In accordance with 'Ind AS 108 - Operating Segments', the Company operates in one business segment i.e. 'Injection moulded precision plastic components, sub-assemblies and related services'.
- 4 Estimation of uncertainties relating to the global health pandemic from COVID-19 : The management has considered the possible effects that may result from COVID-19 in the preparation of the financial results including the recoverability of carrying amounts of financial and non financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of COVID-19, the management has, at the date of approval of these financial results, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on these financial results may differ from that estimated as at the date of approval of these financial results.
- 5 The Company expects that it will exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 in FY 2021-22. Accordingly the Company has remeasured its deferred tax assets (net) positions and on the basis of the rate prescribed under section 115BAA, has taken the full effect to Statement of Profit and Loss during quarter and year ended March 31, 2020. Tax Expense for the quarter and year ended March 31, 2020 includes tax benefit of Rs. 104.71 lakhs on account of re-measurement of deferred tax assets (net).

For and on behalf of the Board of Directors
Shaily Engineering Plastics Limited



Mahendra Sanghvi
Executive Chairman
DIN : 00084162

Place : Vadodara
Date : 7th November, 2020