CREDIBILITY. SCALABILITY. SUSTAINABILITY.

ANNUAL REPORT

2021-22

Across the Pages

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https://www.shaily.com/investors

Investor Information

Market Cap	: ₹1,809 Cr.
CIN	: L51900GJ1980PLC065554
BSE Code	: 501423
NSE Symbol	: SHAILY
Bloomberg Code	: SHEP:IN
AGM Date	: Saturday, 27 August 2022
AGM Mode	: Audio/Visual Mode

Credibility

Over the years, we have established ourselves as a credible organisation, backed by our consistent endeavour to exceed our standards, over and over again. We have gained the confidence of our customers, shareholders and other stakeholders through our consistent and encouraging performance.

Sustainability

We, at Shaily, believe that quality is at the foremost in the services we offer. Therefore, we constantly endeavour in improving the quality of our products, processes and services. We follow a systematic and sustainable approach to manage our processes, achieve quality requirements, create value along the product lifecycle and strengthen relationships with customers and suppliers. Hence our operations are inspired by the thought of creating a positive impact on the planet and people.

Scalability

We, at Shaily, strive to focus on offering ultimate customer experience, and we are scaling to ensure maximum customer satisfaction. With our diverse product range and a strong workforce in place, we are well poised to cater to evolving customer needs. Besides, we are enhancing our capability by scaling and penetrating into newer dimensions and strengthening our market presence.

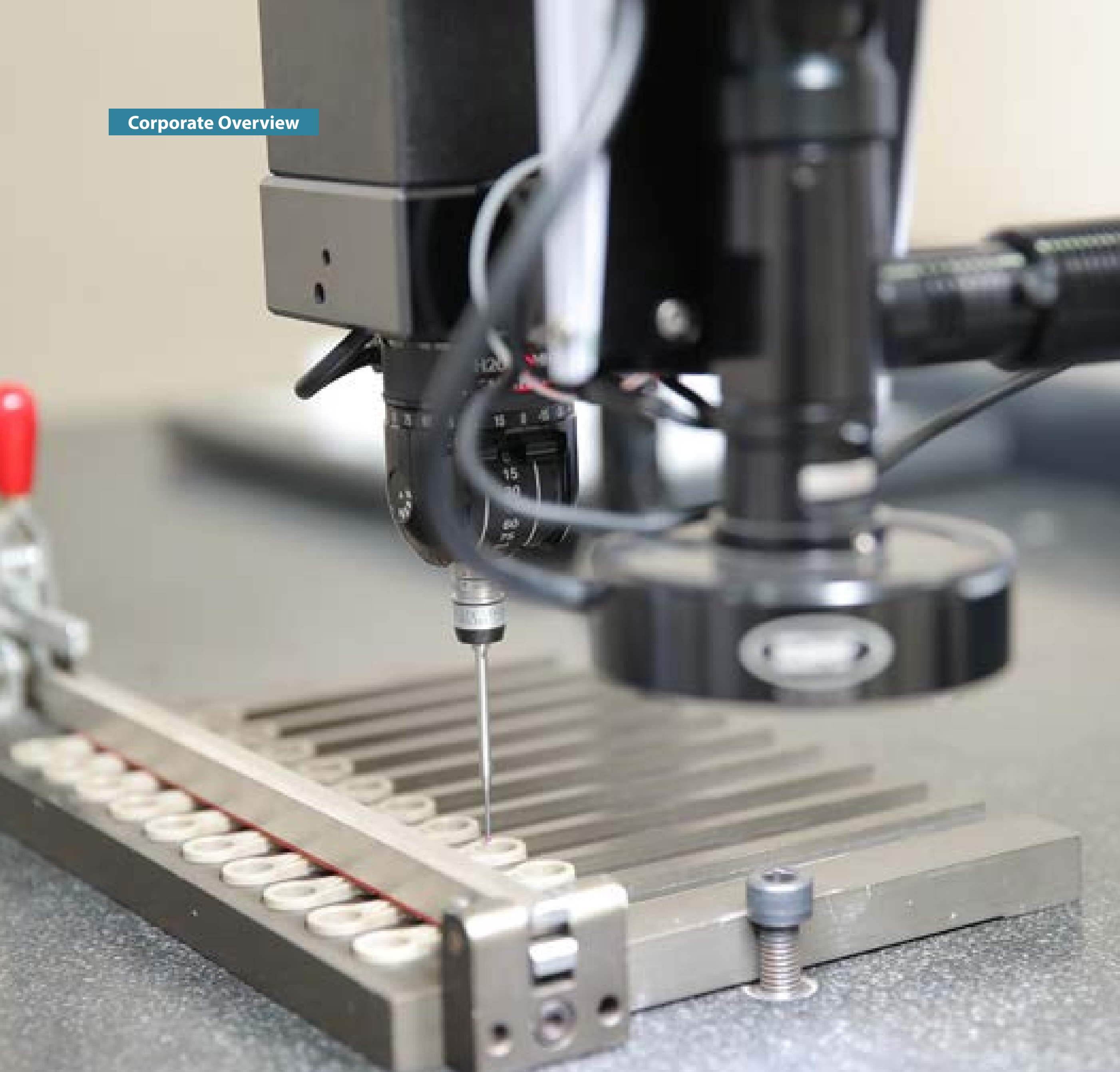
₹576.53 Cr.
Consolidated Revenue

₹367.00 Cr.
Consolidated Net worth

₹90.02 Cr.
Consolidated EBITDA

₹39.94
EPS

₹35.27 Cr.
Consolidated PAT



Credibility

SEPL At A Glance

Among India's Top Diversified & Leading Exporters of Plastic Components

Shaily Engineering Plastics Limited ('SEPL' or 'the Company') is one of the world's largest manufacturers of high-precision injection moulded plastics components. The Company is an injection moulding specialist with over 30 years of experience and caters to a wide range of business areas, providing end-to-end solutions – right from conception to manufacturing & validation.

What began as a modest venture with two moulding machines in 1987, has evolved to seven state-of-the-art facilities with over 180+ machines. While six of the Company's facilities are dedicated to the production of plastic components, one is dedicated to the production of carbon steel furniture. These capabilities help us serve Fortune 100 organisations in the Consumer, FMCG, Engineering, Toys, Pharmaceutical, Automotive and Retail industries, enabling us to foster long-standing stakeholder relationships.

The Company's wholly-owned subsidiary, Shaily (UK) Limited, headquartered in the UK, is a design and R&D centre dedicated to strengthening SEPL's capabilities in developing various drug delivery devices. It has been established for the sole purpose of creating leading technologies across the Company's healthcare business that is in-license through its customers, either directly or through product manufacture & supply. This subsidiary's foray into international business routes brings in higher brand prominence for SEPL.

Industry Presence

Consumer

- Home furnishing
- Toys

Carbon Steel

- Carbon Steel Furniture

Healthcare

- Drug Delivery Devices
- Speciality Packaging
- Primary Packaging

Automotive & Engineering

- Automotive Components
- Engineering Plastics

Personal Care

- High Volume Moulding
- Decoration & Assembly

Vision & Mission

- To provide end-to-end solutions in plastics
- Deliver superior quality to our customers
- Higher profitability and value to our shareholders
- Sustainability for future generations

Our Values

- Deliver customer delight through excellence in performance
- Build a positive team and family spirit of 'One Shaily'
- Never bypass systems and processes
- Treat everyone with courtesy and respect
- Always follow through on targets and commitments
- Getting it right in the first time
- Be passionate, determined, proactive, and ready to take on challenges

New Plastics Facility and Carbon Steel Furniture Facility at Halol Complex

The Year In Brief

Q1	Q2

Q1

Toys
- Became a major supplier to a global toys

Healthcare
- 2 new pen development contracts signed

New Facility
- Trial Production started at New Plastics Plant in Q1 2021-22

Q2

Shaily (UK) Ltd.
- Set up operations in UK; Commenced design centre

New Facility
- New plastics facility started commercial operations in September 2021

Preferential Issue

Raised ₹150 Cr. through Preferential Issue vide private placements to marquee investors – Lighthouse Funds and White Oaks Funds. SEPL commenced utilising the funds to expand core business of home furnishings, healthcare, and toys.

Q3	Q4

Q3

Healthcare

- Acquired 2 additional patents for pen devices in Shaily (UK) Limited

Home Furnishing

- Expansion of brush manufacturing capacity
- New capacity to be operational by Q1 2022-23

Injector Pen

- Confirmation for new product development for 2 injector pens received; To be implemented from Shaily (UK) Limited

Automotive & Engineering

- Confirmation for three actuator rods

Q4

Milestone

- Equity shares of the Company listed on the National Stock Exchange of India Limited (NSE)

Injector Pen

- IP acquired for Pen Injectors

Healthcare

- Contract for pen injector finalised with leading Indian Pharma Company

Capex

SEPL is planning to spend approximately ₹200 Cr. over the next 18 months, in the Pharma, for developing devices while enhancing and scaling manufacturing capabilities of devices wherein the Company has created its own IP and Consumer business.

Scalability

Business Flow

New Product Development

- Tool Design
- Mould Flow
- Process Design
- Automation
- Polymer Selection

Quality

- Regulatory Compliance
- Robust QA/QC Processes
- Testing Protocol
- Continuous Improvement

Manufacturing

- Precision Moulding
- Decoration & Printing
- Assembly
- Automation

Sustainability

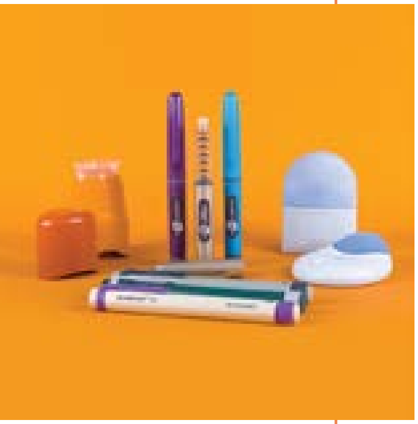
- Social Compliance
- Renewable Energy
- Recycled/Biodegradable Plastics

Performance Showcasing SEPL's Potential

Consumer

Accelerated existing consumer business by adding new customers & venturing into newer segments

- Strengthened relationship with a Swedish Home Furnishing major
- Scaled-up from 18 SKU's in 2017 to supplying 82 SKU's as of 31 March 2022
- Ventured in Carbon Steel business for the Homes Furnishing major
- Added two global toys companies, in the toys business
- Set up a dedicated EOU facility to serve the requirements of the Home Furnishings
- Added exclusive facility at new Halol complex to service the Company's Home Furnishings major



Healthcare

Increased utilisation levels of healthcare business and deepened foray in IP-related products and Healthcare

- Healthcare is now the 2nd largest revenue-contributing segment
- Added 12 drug delivery devices in commercial production
- Consolidated Healthcare units to achieve faster break-even and higher efficiencies
- Scaled up business to achieve 2 to 3x revenue growth over 3 to 5 years
- Received two further patents for both pen injectors and auto injectors through Shaily (UK) Limited
- Developed IP for 1 pen injector and 2 new product development contracts for pen injectors finalised with a leading Indian Pharma Company

Business

Robust business model

- Increased focus on new business segments; added customers to strengthen industry presence
- Ventured in the toys segment with the addition of two global toys companies
- Invested in the Carbon Steel business for diversification beyond the Company's presence across plastics, and cemented relationship with the Swedish Home Furnishing major
- Entered into multi-material products

Financial Health

Enhancing financial flexibility and strengthening balance sheet

- Announced capex of ₹200 Cr. to be invested over the next 18 months for ramping up capacity in toys, Healthcare Products and Home Furnishing space
- Maintained stability in Debt/ Equity ratio, unhindered by the Company's capex plans
- Diversified offerings and solidified customer base, backed by sustainable demand; thus, creating outlook for strong cash generations to support future growth

Improving Manufacturing Strengths

Enhancing manufacturing capabilities, maintaining global leadership

- Quality compliance management
- Understanding complex manufacturing processes
- Ability to manage high-volume production
- Ability to manage logistics
- Team which understands moulding, moulds, decoration
- Long-standing relationship with marquee clients

Solidifying Portfolio For Business Scalability

SEPL's product line includes more than just standard plastics. To remain resourceful, SEPL is broadening its product portfolio aimed at offering its customers better and supporting them in their efforts towards a better life and lifestyle.

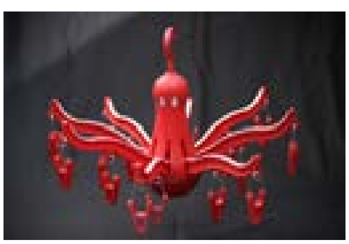
3+ Decades
of experience in engineering plastics

Consumer Segment

Our Competitive Edge

- Global quality
- Environment-friendly
- End-to-end solutions
- Timely execution
- Technical capabilities

> Through a strong and credible supplier image, the Company has become one of the preferred suppliers to major toys giants of the world. Further, the Company is expanding its order book with Spin Master and has also collaborated with another global toys company. Thereby, enhancing our trustworthiness and credibility.



Home Furnishing Business

SEPL's offerings in the Home Furnishings space is widespread, with a global presence. Repeat business testify for the business' consistent and high-quality products, backed by responsiveness and timeliness. As a result, the Company stands to be a preferred partner for numerous Home Furnishing firms today.

Toys Business

SEPL's varied range of plastic/electronic children's toys satisfy the standards and volume requirements for global markets. This has made SEPL's foray into the toys business well-established and successful.

Opportunities Going Ahead

- Increase in children's programmes, kid centric movies and TV channels are expected to drive demand for toys.
- Rise in preference and manufacturing of smarter baby toys, designed for learning purposes.
- India being perceived as an alternative manufacturing hub, thus global toys companies are anticipated to diversify outsourcing to India.
- Compliance of products to quality norms and benchmark international standards, enabling SEPL to be a supplier of choice.

Personal Care Segment

SEPL's highly customisable range of products are in line with the needs of its international customers. Its offerings ranges from razors to attractive cosmetics casings and more, backed by the business' balanced operational strategies and cutting-edge technology.

Our Competitive Edge

- Engineering plastics
- Complex moulding
- Validation
- Quality standards
- Assembly
- Understanding complex manufacturing process

Ultrasonic Welding

The Company offers ultrasonic welding on a variety of polymers, which can be used in conjunction with injection moulding.

Painting

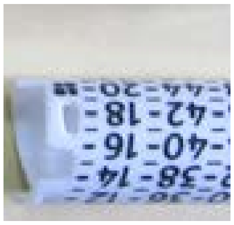
The Company provides specialised paint lines, suitable for a varied category of polymers.

Vacuum Metalising

The Company's automated metalising facility grants a top-quality metal finish to plastics.

Screen Printing

The Company's screen printing solutions consist of semi-automated, high-quality, single or multi-colour facilities, which conduct prints on cylindrical or flat components.



High-Speed Rotary Pad Printing

The Company uses high-tech printing machines that provide a full-colour finish to a wide variety of polymers. For optimum print quality, it has installed machines within a controlled environment, where natural conditions are mechanically adjusted.

Hot Stamping & Hot Foiling

The Company possesses high speed circular hot foiling machines and hot stamping machines for decoration on high-end cosmetic packaging articles.

Laser marking

The Company possesses laser marking machines for marking on healthcare, toys and other components for traceability.

Healthcare Segment

Factors Enabling Competitive Edge

- Drug Delivery Devices
- Primary Packaging
- Quality & Compliance
- Dedicated Facility, In-House Research & Development Division

Drug Delivery Devices

SEPL is one of the leading Global Injection Moulding companies in Drug Delivery devices field. The Company's capabilities extend to manufacturing of complex precision components and assemblies bound by stringent quality standards and tight tolerances. Its rich experience helps in assisting clients with compliance and regulatory filings.

Products:

- Dry Powder Inhalers (DPI's)
- Pen Injectors
- Primary Packaging
- Speciality Packaging

Value Proposition

- Comprehensive Design Review
- Collaborative Tool Design & Manufacturing
- Innovative Assembly Solutions
- Efficient Supply Chain

First Non-European Insulin Pens

- Equipped with world's first Insulin Pen that is made up of 100% plastic components
- Pens designed to meet UL & FDA approvals
- Pens are ISO 11608 1, 2 & 3-certified
- Among the very few manufacturers of Insulin Pens in the world today
- Associated with IDC, designed & engineered an Insulin Pen for Wockhardt, post Wockhardt success
- Started manufacturing Insulin Pens for Sanofi, marketed by Sanofi as 'AllStar pens'

Speciality Packaging

Led by prudence and manufacturing expertise, the Company expanded its offerings in the Pharmaceutical industry. Today, SEPL is one of the leading providers in packaging solutions with expertise in resourcing, quality monitoring, and regulatory compliance. It manufactures tamper-proof containers for solid and liquid dosages, as well as speciality packaging.

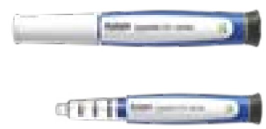
Factors Enabling Competitive Edge

- High-end vision system for Healthcare packaging
- Design and development capabilities
- Type III Drug Master files
- US Pharmacopoeia standards

Opportunities Ahead

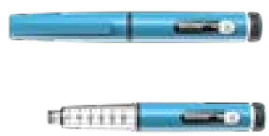
- Increasing demand for pharmaceutical devices & packaging products due to rising geriatric population, chronic diseases, and number of diabetic patients, among others.
- Expansion of the generic market, technological advancement & strict Government regulations for conventional packaging.
- Capability enhancement endeavours by SEPL's key partners for device development in the UK & Taiwan to ensure that they can aid SEPL in the successful & sustainable development of next generation platforms.
- Development of IP & own pen injector platforms by SEPL, propelling business growth.
- Development of an auto injector is in process while the Company already has a total of 7 pen injector platforms for various molecules at present.
- Competencies and capabilities include supplies to ophthalmic brands, skin care brands & CRC and specialised packaging applications.

SEPL provides a wide range of budgeted technological solutions for patient-centered and self-medication injection systems.



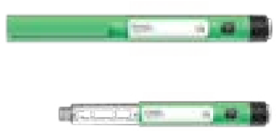
ShailyPen Maxim

- Premium reusable / disposable pen injector
- 0 – 80 units insulin / GLP-1 / alternate therapies
- Improved usability: low dose dial extension and low injection force



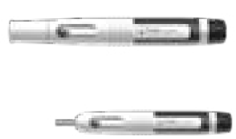
ShailyPen Protean

- Cost-effective disposable / reusable pen injector
- 0 – 60 units insulin / 1.8 mg and 3.0 mg liraglutide / abaloparatide



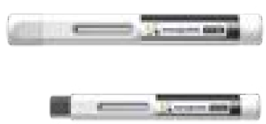
ShailyPen Axiom

- Fixed-dose pen injector
- Teriparatide / PTH / FSH
- Non-priming



Toby Auto-Injector

- 1.0ml – 2.25ml PFS-based auto-injector
- ¼in – 1in needle (subcutaneous and intra-muscular)
- High performance, robust design with low complexity



Tristan Auto-Injector

- 1.0 ml – 3.0 ml PFS and cartridge-based auto-injector
- ¼in – 1in needle (subcutaneous and intra-muscular)
- Automatic needle insertion
- High performance, robust design using torsion spring

Automotive & Engineering

Automotive

SEPL makes turbochargers for high-end luxury cars. It has a leading market presence in the conversion of metal rods to plastic rods, globally.

Factors Enabling Competitive Edge

- Stringent quality
- Tight tolerances
- Engineering plastics
- Complex moulding

Engineering Plastics

SEPL manufactures high-value products out of high-performance engineering plastics, which includes unique solutions to replace metal with high-strength plastics, enabling greater productivity and cost savings.

Unique Moulding Process

SEPL's proprietary moulding process is used to create components out of Torlon® polyamide-imide (PAI) and PEEK (types of high-performance polymers). Thereby, bringing in the best polymers for its customers.

Tooling

SEPL is highly experienced in mould designing and developing, with a particular emphasis on mould flow analysis and design for manufacture.

Assembly Solutions

SEPL's moulding and assembly solutions with manual, semi-automated, and fully-automated processes reduce costs and ensure quality.

Metal to Plastic Conversion

SEPL offers exceptional metal substituted in the form of high-strength plastic, resulting in increased productivity and cost savings.

Carbon Steel

The Company's carbon steel furniture business signifies immense faith placed by our Home Furnishings major customer in our capabilities and execution skills.

Facility Commissioned at Halol, Gujarat

- Invested ₹63 Cr.
- Phase 1 plant built in 70,000 sq. ft. (total land of the facility is 8L sq. ft.)
- 600 tons of RM steel processed / annum
- Started commercial production in Q3 2020-21

Factors Enabling Competitive Edge

- Manufacturing of complex precision components and assemblies
- Stringent quality
- Tight tolerances

Global Reach Complementing SEPL's Scalability

SEPL has 7 robust facilities comprising 6 for Plastics and 1 for Carbon Steel Furniture, enabling it to uninterruptedly serve customer requirements in line with industry trends. With over 180 moulding machines ranging from 35 tons to 1,000 tons, the Company is constantly focused toward maintaining timeliness and responsiveness toward any fluctuation in demand, backed by its strong distributor network across the globe.

Rania

- Export-oriented Unit
- Pharma (Dedicated ISO Class 8 clean room manufacturing facilities)
- Others

Halol - I

- Automotive & Engineering

Halol - II Complex

- Carbon Steel
- New Plastics Facility

Quality Management at SEPL

Delivering the Best Possible Outcome

Quality is a priority at SEPL, and a crucial growth enabler of its business success and demand. Over the years, the Company's ability to remain consistent in terms of quality offerings has led it toward better collaborations and increased brand visibility & trustworthiness. To create a conducive climate for innovation, the Company emphasises achieving greater efficiencies enabling it to provide best-in-class products, consistently.

SEPL is globally certified to the highest quality levels with certifications in:

Quality Certifications

- IATF 16949: 2016
- ISO 9001: 2015
- ISO 13485: 2016
- ISO 15378: 2017
- MDSAP – Medical Device Single Audit Programme

Security Certifications

- Intertek – Global Security Verification (GSV)
- Authorised Economic Operator (AEO) T2 Certificate

Social Compliances Certification

- SA 8000:2014
- RBA
- IWAY

Other Certifications

- Recognition as an In-house Research & Development Unit
- Two Star Export House

The Company's QMS (Quality Management System) integrates risk-based strategies for process and is a blend of time-tested and cutting-edge methodologies, adhering to quality standards and optimising operating efficiencies. Among these techniques are:

- Six Sigma
- Continuous Improvement Initiatives
- Process Capability Monitoring, through the Use of Statistical Process Control Methods
- Root Cause Analysis & CAPA (Corrective Action & Preventive Action)
- Risk Management
- Use of CMM (Co-ordinate Measurement Machine) and Custom Fixtures, for In-process Quality Control
- Supplier Management
- Qualification Validation

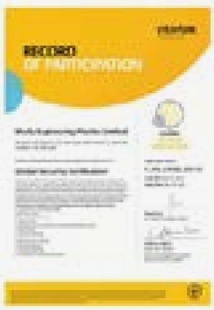
Our Certifications

We make every effort to provide best-in-class products to our customers on a consistent basis.

Security Certifications

AEO T2 Certificate

Social Compliances Certifications



Intertek

SA-8000 2014

Other Certifications

RD Recognition Letter

Star Export House

Other Social Compliances Certifications

I-WAY

GMP

IATF 16948-2016

ISO 9001 : 2015

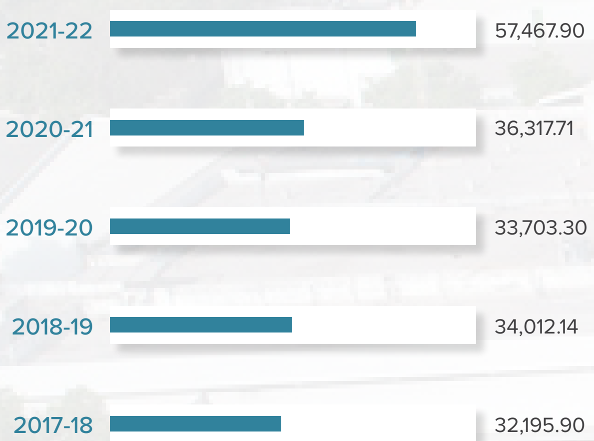
ISO 13485 : 2016

ISO 15378 : 2015

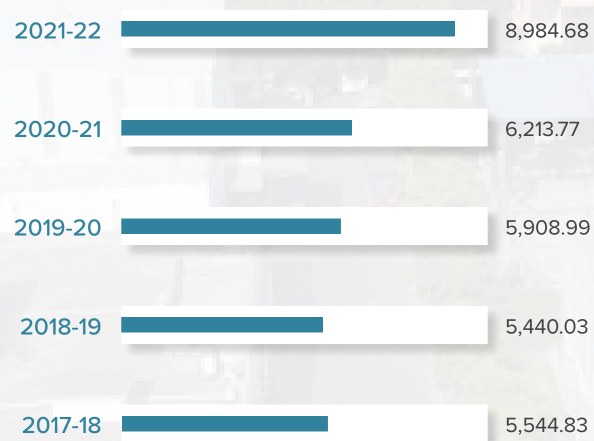
MDSAP

Our Financial Capabilities

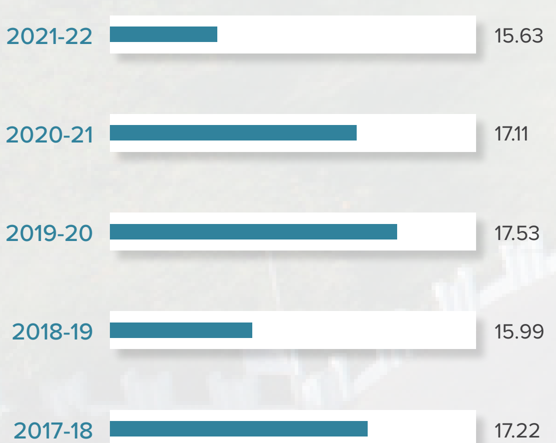
Revenue
₹ in Lacs



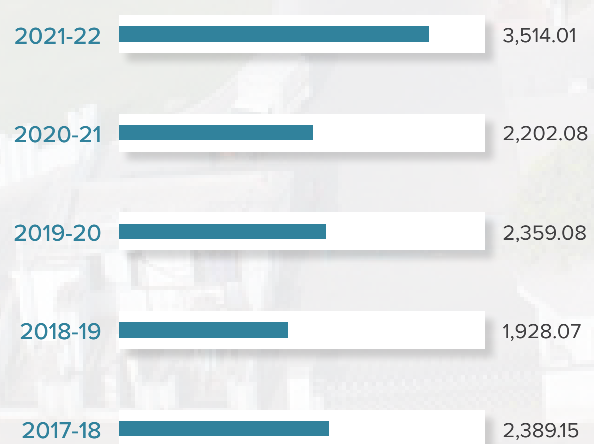
EBITDA
₹ in Lacs



EBITDA Margin
(%)



PAT
₹ in Lacs



EBITDA = Earnings before Interest, Taxes, Depreciation and Amortisation

PAT = Profit After Tax

PAT Margin (%)

	PAT Margin (%)
2021-22	6.11
2020-21	6.06
2019-20	7.00
2018-19	5.67
2017-18	7.42

EPS ₹

	EPS ₹
2021-22	39.80
2020-21	26.47
2019-20	28.36
2018-19	23.18
2017-18	28.72

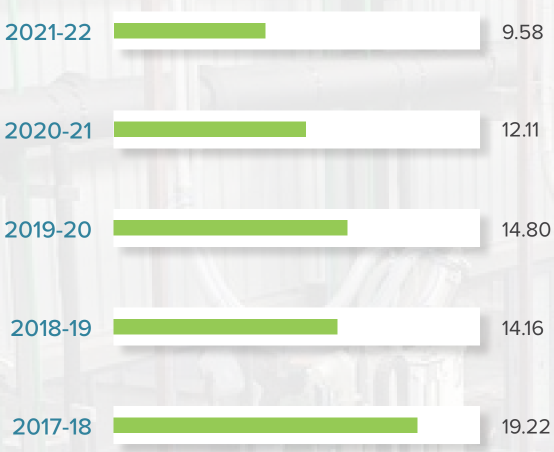
Net Worth ₹ in Lacs

	Net Worth ₹ in Lacs
2021-22	36,699.02
2020-21	18,186.55
2019-20	15,938.18
2018-19	13,613.76
2017-18	12,430.62

Return on Capital Employed %

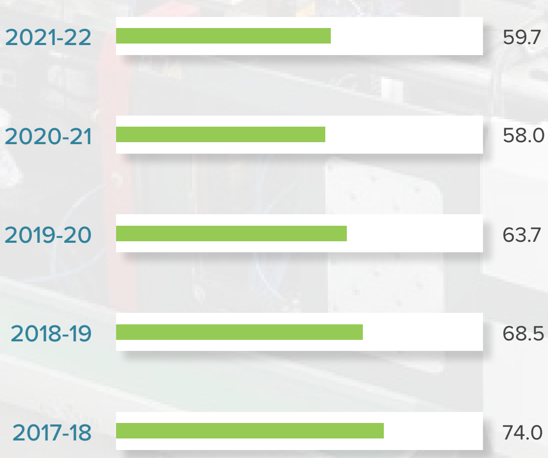
	Return on Capital Employed %
2021-22	11.35
2020-21	11.05
2019-20	13.90
2018-19	15.31
2017-18	17.59

Return on Equity %

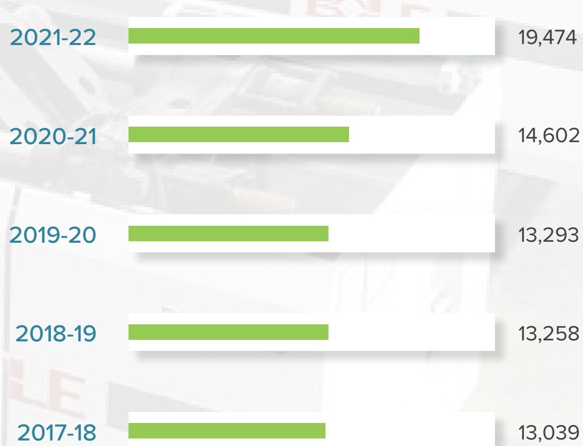


Operational Trends

Machine Utilisation Across Plants (%)



Volume of Polymers Processed (MT)



Five Year Highlights

₹ in Lacs

Particulars	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18
Sources of Funds					
Share Capital	917.35	831.84	831.84	831.84	831.84
Reserves & Surplus	35,781.67	17,354.71	15,106.34	12,781.92	11,598.78
Net-Worth	36,699.02	18,186.55	15,938.18	13,613.76	12,430.62
Borrowings – Long Term	10,159.47	12,836.39	7,211.64	4,715.67	2,096.17
Capital Employed	55,799.57	38,547.21	29,634.89	26,391.29	23,610.54
Income and Profits					
Revenue	57,467.90	36,317.71	33,703.30	34,012.14	32,195.90
EBITDA	8,984.68	6,213.77	5,908.99	5,440.03	5,544.83
EBIDTA (%)	15.63%	17.11%	17.53%	15.99%	17.22%
Profit before Tax	4,640.76	2,988.35	3,069.77	2,995.45	3,422.75
Profit before Tax (%)	8.08%	8.23%	9.11%	8.81%	10.63%
Tax	1,126.75	786.27	710.75	1,067.38	1,033.60
Profit After Tax	3,514.01	2,202.08	2,359.02	1,928.07	2,389.15
Profit After Tax (%)	6.11%	6.06%	7.00%	5.67%	7.42%
Dividend Per Share	-	-	-	-	7.50
Retained Earnings	3,514.01	2,202.08	2,359.02	1,175.95	1,889.55
Others					
Fixed Assets including tangible & intangible	35,724.24	25,720.67	20,303.21	14,995.72	11,328.51
Net Worth Per Equity (₹)	400.05	218.63	191.60	163.66	149.43
Debt – Equity Ratio	0.47	1.10	0.78	0.88	0.86
Current Ratio	1.56	1.24	1.21	1.15	1.19
Shareholders (Nos.)#	4,635	4077	4,480	4,721	3,023

 # As on 31 March 2022

Note : Figures of 2016-17 onwards are as per IND-AS

MD's Desk

We are happy to share that we registered the highest ever revenue in 2021-22. This could be made possible on the back of improved traction across segments and ramp-up in projects.

The year 2021-22 will be remembered as the year when the world slowly and steadily started recovering from the hardships of the Covid-19 pandemic. When this crisis hit two years ago, it compelled organisations to adapt to the changing environment while growing resilient swiftly. At Shaily, we continued providing our clients with value-added, high-quality products in a safe and timely manner while prioritising our employees' safety, health and well-being. Our focus was on safely charting a road for an even brighter future while taking urgent measures in response to Covid-19. We emphasised ensuring business continuity and the healthiest work environment for all and successfully provided the highest levels of cleanliness and safety at our facilities. Collectively, this approach helped us navigate the challenges while constantly moving ahead, closer to our goals and objectives.

The Economic Condition

Globally, the general outlook has improved with decreasing infection rates and resumption of economic activities. But the geopolitical crisis in Ukraine has significantly changed the situation, slowing the economic pace, despite the world economy progressively finding its footing. Businesses worldwide are concerned about the resulting increased gasoline and commodities prices.

The Indian economy, like others, is also experiencing a resurgence, with all macro indicators showing a good trend supporting the nation's growth story. Large-scale vaccination coverage and growing economic activities have bolstered public morale and the Indian Government's significant fiscal and other allocations have also boosted the country's economic story.

Our Performance in 2021-22

We are happy to share that we registered the highest ever revenue in 2021-22. This could be made possible on the back of improved traction across segments and ramp-up in projects. Our visibility across various businesses gives us immense confidence in our ability to scale up further and grow. During the year, we reported a revenue of ₹574.68 Cr. as against ₹363.18 Cr. in 2020-21, showcasing a strong 58% growth. EBITDA grew from ₹62.1 Cr. in 2020-21 to ₹89.8 Cr. in 2021-22. EBITDA margins in 2021-22 were lower due to an increase in raw material prices. We reported a net profit of ₹35.2 Cr. as compared to ₹22 Cr. in 2020-21.

Our Developments

During the year, we expanded our product offerings in the categories of devices and home furnishings while also expanding our venture into healthcare-related items with an intellectual property angle. Our second-largest revenue-generating sector today is healthcare, and we added 12 new drug delivery systems to commercial production during the year.

We acquired IP for a second pen injector during Q4 2021-22. And I'm particularly pleased to report that a Shaily-produced item for Sanofi won a sustainable design prize at the 'Pharma Pack' exhibition in Paris. Additionally, we completed the contracts for the pen injector with a top pharmaceutical firm in India. We have adopted a scalable approach that will enable us to raise our income by two to three times over the next five years.

Today, we serve international markets through Shaily UK. Our focus is expanding to include contract manufacturing for medical devices, items with our intellectual property, and custom packaging. Our capacity to create our injection system platforms is now beginning to pay dividends. The business scope is broad in this sector, and we intend to grow over the next few months and years.

Regarding toys, we have begun building up our capacity after receiving orders from major players in the market. We have started commercialising the orders received under the automotive and engineering segment, and we anticipate ramping up in the current year. Since our clients intend to source heavily from India, there are virtually endless prospects for us to expand along with that.

Our business has raised money, which we are using to expand our primary line of business, home furnishings, as well as for toys and medical devices. Over the next two years, we aim to spend over ₹200 Cr. on capital expenditures, of which more than half will go into the Company's pharmaceutical division.

Society

The previous year's events showed that if economic, social, and environmental problems aren't effectively addressed, society's concerns will inevitably worsen – making it all the more imperative to address the disproportionate effect on the most vulnerable.

We are aware that our Company owes it to the communities it operates within to make a meaningful contribution to the necessary change. We are progressing well on the social impact and sustainability plan we introduced in 2020-21 to merge our financial resources and business know-how more efficiently to have a stronger influence on communities. We concentrate on the social effect we have in the areas we serve to create a sustainable, inclusive future for all by promoting small company development, financial stability, and a low-carbon economy. We are working with public and private sector organisations to address challenging problems by utilising our resources, creativity, and teamwork. Fostering an inclusive recovery from the Covid-19 pandemic and strengthening communities that have been disproportionately affected are two important near-term priorities we have identified for Shaily.

Since the onset of the Covid-19 pandemic, our staff has assisted the Government and the community as a responsible employer. At Shaily, we have implemented several community measures to lessen the consequences of the outbreak, including raising awareness of health and safety issues, providing food and sanitisers, working with the local Government, and engaging in several other activities.

Sustainability

To ensure our business's existence and prosperity in the future, we believe in conducting business in a way that benefits the environment and the people who live in our communities. We feel both these factors are equally and essentially important. Our objective is to continuously enhance our procedures to use less water, electricity, and other precious natural resources. We believe this is the only way to consistently maintain competitiveness in a business environment that is becoming more dynamic while also continuing to offer sustainable development.

Our total sustainability plan heavily incorporates Lean Six Sigma, which frequently leads to greater quality, increased productivity, and decreased waste in our manufacturing operations and business processes.

We have also successfully converted items made from virgin materials to both recycled plastics and bioplastics while still meeting RoHS and other relevant compliances across our other business verticals, such as Home Furnishings and FMCG.

Our Appreciation

In the end, I want to extend my sincere gratitude to all employees for their perseverance and immeasurable contribution to Shaily's success. I also want to express my appreciation to our suppliers, bankers, partners, and customers for their unwavering support. We are grateful for everyone's assistance in supporting our Company in their special way. At Shaily, we eagerly anticipate driving opportunities and possibilities as we aspire to foster growth for our stakeholders.

Best wishes,

Amit Sanghvi
Managing Director

Sustainability

Emphasising On ESG Guidelines

Sustainability

At SEPL, we believe in ensuring business operations that render a positive impact on the planet and people. Our goal is to constantly improve our processes in a way that results in efficient and not over-utilisation of power, water and other natural resources.

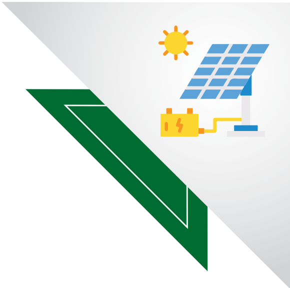
Sustainability has become more relevant today than it was at any point in time, before. It is one of the fundamentals of a successful business strategy.

Lean Six Sigma forms a significant part of our overall sustainability strategy, often resulting in better quality, increased productivity and reduced waste in both our manufacturing operations as well as our business processes. Across our other business verticals such as Home Furnishings and FMCG, we have also been successful in being able to convert products manufactured from virgin materials to both recycled plastics as well as bioplastics whilst still being able to meet RoHS and other necessary compliances.

We, at SEPL, believe in operating with efficacy, by delivering a positive impact on the planet and our stakeholders, including communities. This belief drives our business survival and success. Our goal is to constantly improve our processes in ways that would lead to optimal use of power, water and the other essential natural resources. Taking such environmentally aware measures also add on to our business competencies in a dynamic business environment and continues to provide sustainable growth and profitability to our stakeholders.

Green Plastics

Driving successful endeavours in converting products manufactured from virgin materials to both recycled plastics and bioplastics.



Renewable Energy

Remaining committed to sustainable energy; the Company is exploring various options to increase use of renewable energy.

Lean Six Sigma

Lean Sigma forms an integral part of our operations and a key part of the our sustainability programme to reduce waste and improve performance.

Sustainable Development

Social and environment responsibility is our DNA

We believe in business operations that have a positive impact on the planet and people

We remain committed to our goal of continuous process enhancement for optimal resource utilisation

We successfully converted products manufactured from virgin materials to both recycled plastics as well as bioplastics

Recycled Raw Material Usage

For the year 2021, 52% of raw material used was from pre-consumer recycled source (recycled content varies from 20% ~100%).

Quality/Sustainability Compliance of Recycled Material

- All EHS Compliance & Social Compliance
- Chemical Compliance
- REACH - CLP Regulation (EC) 1272/2008
- ROHS - Directive 2002/95/EC
- SVHC
- Testing of Migration of Heavy Metal & Bisphenol at 3rd Party Lab

Recycled Packaging Material

Packaging material from supplier with FSC (Forest Stewardship Council) certification with Chain of Custody (CoC) across the supply chain.

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. Milin Mehta
Independent Director

Mr. Ranjit Singh
Independent Director

Dr. Shailesh Ayyangar
Independent Director

Mr. Samaresh Parida
Independent Director

Ms. Sangeeta Singh
Independent Director

Key Officials

Mr. Sanjay Shah
Chief Strategy Officer

Mr. Ashish Somani
Chief Financial Officer

Ms. Preeti Sheth
Asst. Company Secretary &
Compliance Officer

Auditors

Statutory Auditor
M/s B. S. R. & Associates, LLP
Chartered Accountants

Internal Auditor
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 Ltd.

Registrar & Share Transfer Agent

Bigshare Services Pvt. Ltd., Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, Maharashtra, India

Web: www.bigshareonline.com

Email: investor@bigshareonline.com

Statutory Reports

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Management Discussion & Analysis

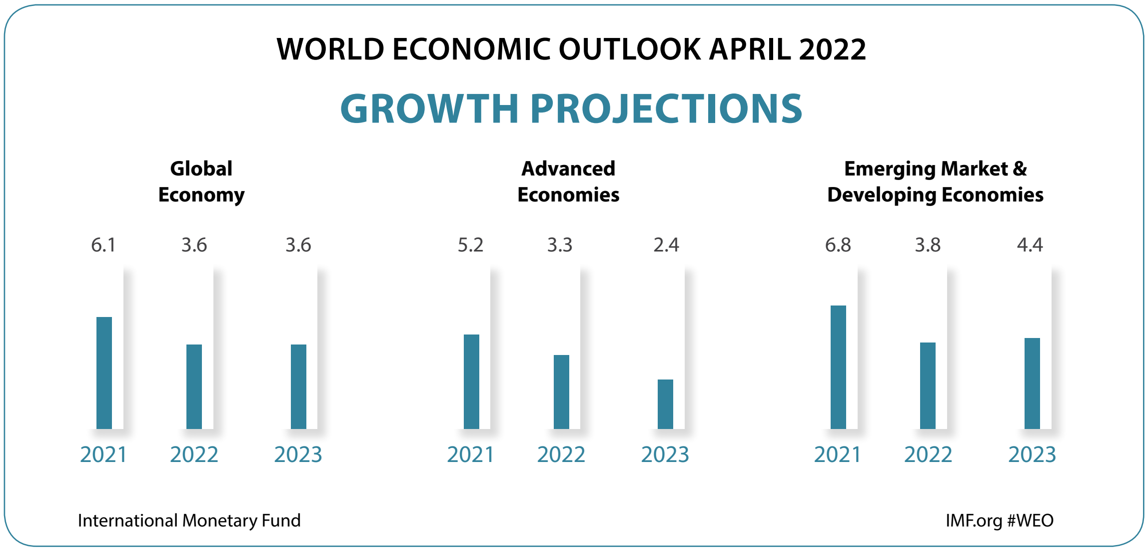
Global Economy

Global recovery continues, but the momentum has weakened, and uncertainty has increased.

The global economic recovery is continuing, even as the pandemic resurges. The fault lines opened up by COVID-19 are looking more persistent — near-term divergences are expected to leave lasting imprints on medium-term performance. Vaccine access and early policy support are the principal drivers of the gaps. Policy choices have become more difficult, confronting multidimensional challenges — subdued employment growth, rising inflation, food insecurity, the setback to human capital accumulation, and climate change — with limited room to maneuver.

Outlook:

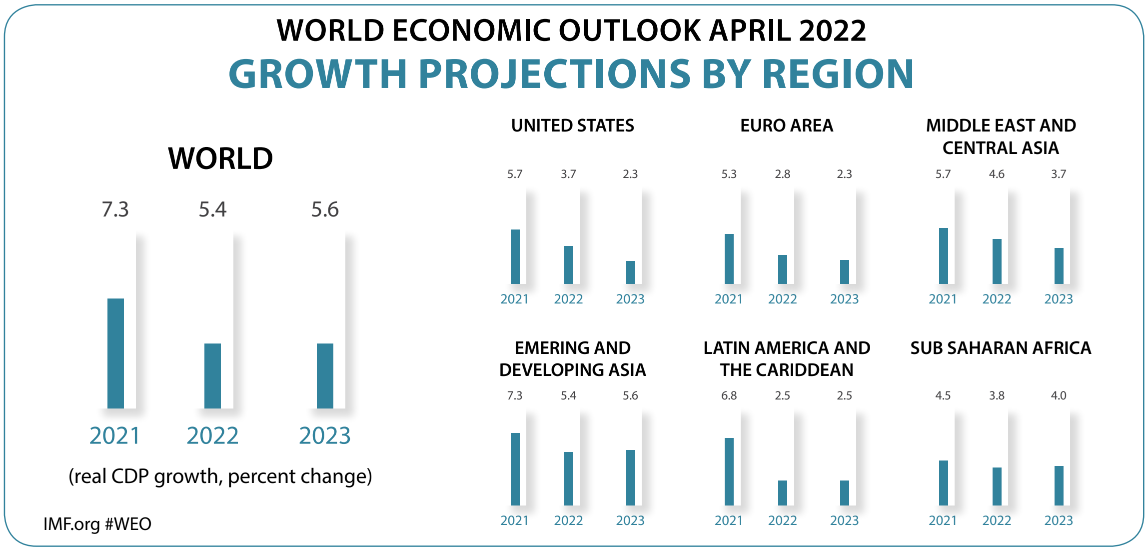
The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. Economic damage from the conflict will contribute to a significant slowdown in global growth in 2022. A severe double-digit drop in GDP for Ukraine and a large contraction in Russia are more than likely, along with worldwide spillovers through commodity markets, trade, and financial channels. Even as the war reduces growth, it will add to inflation. Fuel and food prices have increased rapidly, with vulnerable populations — particularly in low-income countries — most affected. Elevated inflation would further complicate the trade-offs central banks face between containing price pressures and safeguarding growth. Interest rates are expected to rise as central banks tighten policy, exerting pressure on emerging market and developing economies. Moreover, many countries have limited fiscal policy space to cushion the impact of the war on their economies. The invasion has contributed to economic fragmentation as a significant number of countries sever commercial ties with Russia and risks derailing the post-pandemic recovery. It also threatens the rules-based frameworks that have facilitated greater global economic integration and helped uplift millions out of poverty. In addition, the conflict adds to the economic strains wrought by the pandemic.



Global growth is projected to slowdown from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023. Beyond 2023, global growth is forecast to decline to about 3.3% over the medium-term.

Scarring effects are expected to be much larger in emerging market and developing economies than in advanced economies — reflecting more limited policy support and generally slower vaccination — with output expected to remain below the pre-pandemic trend throughout the forecast horizon.

Management Discussion & Analysis



Source: *https://www.imf.org/en/Publications/WEO/Issues/2021/10/12/world-economic-outlook-october-2021*

https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022

Indian Economy

The World Bank has retained India's economic growth forecast for 2020-21 at 8.3% as the recovery is yet to become broad-based.

As per the first advanced estimates of the national income released by the National Statistical Office (NSO) last week, the economy is projected to grow at 9.2% in 2021-22, surpassing pre-COVID level in actual terms, mainly on account of improved performance, especially in farm, mining and manufacturing sectors.

The economy poised to benefit from the resumption of contact-intensive services, and ongoing but narrowing monetary and fiscal policy support.

On the export side, the pause in operations due to COVID-19 pandemic had led to a decrease in the number of shipping vessels. The lack of availability of containers and the faster than expected revival in international trade has raised freight rates significantly to the range of 300-350%. Further, the strong demand for containers in the United States and China has also led to a surge in container rates. India had experienced significant delays in their shipments and consequent liquidity concerns owing to the container shortage. Following, the Indian Government urged officials to dispose of the unclaimed, uncleared, and confiscated goods that are holding up containers for ease in availability of containers for exporters.

Outlook

As the Ukraine conflict impacts the global GDP, India is projected to grow by 6.4% in 2022, slower than last year but still the fastest-growing major economy, with higher inflationary pressures and uneven recovery of the labour market curbing private consumption and investment. The growth outlook will also be supported by ongoing structural reforms, a better than-expected financial sector recovery, and measures to resolve financial sector challenges despite ongoing risks. For the fiscal year 2023, India's growth is forecast to be 6%.

The war in Ukraine has upended the fragile economic recovery from the pandemic, triggering a devastating humanitarian crisis in Europe, increasing food and commodity prices and globally exacerbating inflationary pressures.

Source: *https://economictimes.indiatimes.com/news/economy/indicators/world-bank-retains-indias-economic-growth-forecast-at-8-3-for-2021-22/articleshow/88854379.cms*

https://www.ndtv.com/india-news/indias-projected-gdp-down-to-6-4-yet-fastest-growing-major-economy-un-2989322

https://www.indiatoday.in/business/story/global-container-shortage-impact-on-india-export-trade-volume-1847120-2021-08-30

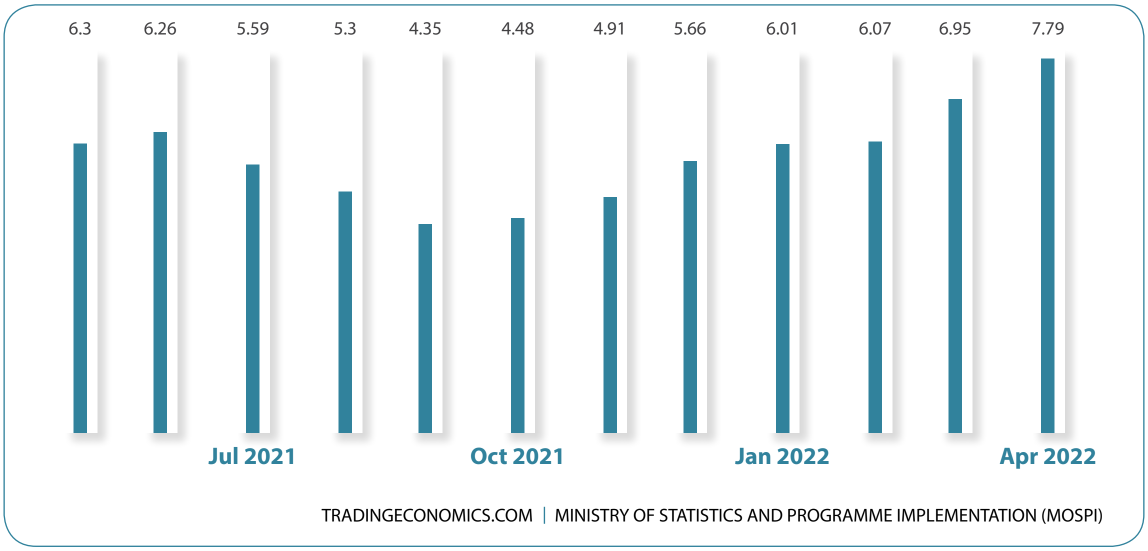
Management Discussion & Analysis

Management Discussion & Analysis

Inflation & Interest Rates

India inflation rate highest since 2014

The annual inflation rate in India increased to 7.79% in April of 2022, the highest since May of 2014, and previous market forecasts of 7.50%. Food inflation accelerated for the 7th straight month to 8.38%, a new high since November of 2020, with cost of oils and fats (17.28%), vegetables (15.41%) and spices (10.56%) recording the biggest rises. Additional upward pressure came from costs of transportation & communication (10.91%), health (7.21%), footwear (12.12%) and clothing (9.51%).



The Monetary Policy Committee, in an off-cycle move, had hiked rates by 40 bps for the first time since August 2018. The MPC expects inflation to rule at elevated levels, warranting resolute and calibrated steps to anchor inflation expectations and contain second-round effects.

With global turmoil continuing and commodity prices remaining high, there will continue to be upward pressure on inflation in the coming months. With concerns on second round effect of inflation and wage price spiral caused by high household inflationary expectations, the RBI will be on tenterhooks.

The Indian Government is considering spending an additional ₹ 2 lacs crore (US$26 billion) in the 2022-23 fiscal year to cushion consumers from rising prices and fight multi-year high inflation. The new measures will be double the ₹ 1 lacs crore hit Government revenues could take from tax cuts on petrol and diesel, the Finance Minister announced.

Source: *https://tradingeconomics.com/india/inflation-cpi*

https://economictimes.indiatimes.com/news/economy/indicators/retail-inflation-in-india-surges-to-7-79-in-april/articleshow/91518110.cms

https://economictimes.indiatimes.com/news/economy/finance/india-considering-spending-additional-26-billion-to-fight-inflation-sources/articleshow/91724915.cms

Crude Oil

World oil demand growth is forecasted to slow to 1.9 mb/d in Q2 2021-22 from 4.4 mb/d in Q1 2021-22 and is now projected to ease to 490 kb/d on average in the second half of the year on a more tempered economic expansion and higher prices. As summer driving escalates and jet fuel continues to recover, world oil demand is set to rise by 3.6 mb/d from April to August. For 2022, demand is expected to increase by 1.8 mb/d on average to 99.4 mb/d.

Russia's isolation following its invasion of Ukraine is deepening as the EU and G7 contemplate tougher sanctions that include a full phase out of oil imports from the country. If agreed, the new embargoes would accelerate the reorientation of trade flows that is already underway and will force Russian oil companies to shut in more wells. Even so, steadily rising output elsewhere, coupled with slower demand growth, especially in China, is expected to fend off an acute supply deficit in the near term.

Management Discussion & Analysis

Soaring pump prices and slowing economic growth are expected to significantly curb the demand recovery through the remainder of the year and into 2023. Moreover, extended lockdowns across China where the Government struggles to contain the spread of COVID-19 are driving a significant slowdown in the world's second largest oil consumer.

Sustained rise in crude oil prices will have an adverse impact on the overall growth of the economy. Prolonged elevated prices above US$110 per barrel will trigger further inflation forcing the Central Bank to increase interest rates. Current account deficit and fiscal deficit would also widen due to higher inflation. Government's cost of borrowing will also rise which will have a cascading effect on the interest rates.

Source: *https://www.iea.org/reports/oil-market-report-may-2022*

https://www.newindianexpress.com/business/2022/apr/07/crude-oil-prices-may-lead-to-higher-inflation-govt-2438992.html

Global Plastics Industry

The protracted disruption of the supply chain because of natural calamities, ensuing force majeure events, energy shortages, container shortages, and freight challenges, continued to drive upward pressure on resin prices in 2021. While overall consumption registered a recovery of 4.5% in 2021 (in terms of volume), the unprecedented rise in resin prices resulted in revenue registering a robust growth of 16.1% in 2021.

Sustainability and circular economy are the most important issues in the plastic industry. Though the pandemic and the ensuing disruption served as short-term impediments to the shift away from single-use plastics, 2022 is expected to witness a resurgence in downward pressure as legislations, restrictions, taxes, and bans are introduced across geographies.

Chemical recycling will be a mainstream, effective means of achieving circularity. Higher customer demand and the ever-growing investment in supply will augur well for commercialisation and scaling up of biobased, greener plastics.

The global plastic lead market volume using plastic waste should grow from 7,188.1 thousand tons in 2021 to 11,715.6 thousand tons by 2026 with a compound annual growth rate (CAGR) of 10.3% for the period of 2021-2026.

The role of plastics is extremely crucial in modern industries. Characterised by excellent properties, these materials have gained high prominence across an array of sectors, including automotive, electricals and electronics, manufacturing, medical and others.

The overall market demand is expected to further experience lucrative growth on account of rising demand for bioplastics and recycled plastics.

- The global market volume for plastic compounding should grow from 475.9 billion pounds in 2021 to 540.4 billion pounds by 2026 with a compound annual growth rate (CAGR) of 2.6% for the period of 2021-2026.
- The global bioplastics market volume should reach 3.3 million metric tons by 2026 from 2.2 million metric tons in 2021 at a compound annual growth rate (CAGR) of 8.3% for the forecast period of 2021 to 2026.

Source: *https://www.globenewswire.com/news-release/2022/04/25/2428040/0/en/Global-Plastics-and-Composites-Market-Outlook-Report-2022-Sustainability-and-Circularity-Oriented-Innovations-to-Drive-Transformational-Growth.html*

https://www.globenewswire.com/news-release/2022/04/25/2428040/0/en/Global-Plastics-and-Composites-Market-Outlook-Report-2022-Sustainability-and-Circularity-Oriented-Innovations-to-Drive-Transformational-Growth.html

Indian Plastics Industry

The Indian plastics industry has been developing fast with market growth and diversification in recent years. The industry is likely to see increasing demands in the post-pandemic era. According to the Directorate General of Commercial Intelligence and Statistics (DGCIS) of India, the Indian plastics industry hosts more than 2,000 exporters.

In FY 2019-20, the plastics export in India stood at US$ 7.045 billion with the highest contribution from plastic raw materials at US$ 2.91 billion, followed by plastic sheets, films and plates at US$ 1.22 billion, and packaging materials at US$ 722.47 million.

Management Discussion & Analysis

Demand for plastics expected to increase

The Indian plastics industry produces a wide array of plastics, including polypropylene (PP), polyethene terephthalate (PET), polyvinyl chloride (PVC) and more. PP is the most produced polyolefin across India.

The PP demand in India grew at a CAGR of around 8.51% during 2015-2019 and is expected to achieve a healthy growth rate in 2022-2030.

The Government is taking steps to make the plastic business a rupees ten-lacs crore industry in the next five years.

India is a growing market of plastic industry and by the end of 2030 its use in the country will be 30 million tonnes. 95% plastic producing units in the country are in the MSME sector and the Government is providing assistance to them through different initiatives.

There are 3,500 modernised plastic recycling units in the country along with 4,000 unorganised recycling plants. The plastic industry is playing a significant role in the 'Make in India' initiative.

Source: *https://newsonair.com/2022/03/04/plastic-business-to-grow-into-a-ten-lakh-crore-industry-in-next-5-years-says-centre/*

https://www.aninews.in/news/business/business/7th-plastasia-2022-presenting-the-future-plastics20220331174630/#:~:text=New%20Delhi%20%5BIndia%5D%2C%20March,from%2020%20%2D%2023%20April%202022.

Home Furnishing Business

This sector's growth has been driven by the socio-economic changes and rapid urbanisation in India. We are a country with a large base of young population who have a high disposable income and are also willing to spend for better lifestyle. Over the last few years, the real estate boom has allowed the young population to own a house of their own with easy loan schemes given by the banks and Government. The new homes for the small families have been a major driving factor as they are spending a considerable amount of setting it up. This has opened up a major market for home décor and furnishing brands.

The online home decor market in India is expected to increase by US$ 3.75 billion from 2021 to 2026, and the market's growth momentum will accelerate at a CAGR of 10.24%. The online home decor market share growth in India by the home furniture segment will be significant for revenue generation.

Tier-I and tier-II cities are the main target markets for home furniture manufacturers because these cities provide vendors with access to all their requirements to operate their online distribution channels successfully, including logistics and e-retailers.

This has prompted manufacturers to ensure that all products sold offline are available online also. Thus, the growing e-commerce sector will boost the demand for online home furniture in the region during the forecast period.

Factors propelling growth of Home Decor and Furnishing sector

- People have started taking their home as the reflection of themselves and so, a lot of people are now spending more on both furniture and fixtures and also on home decor
- Working women are spending a lot on home fashion
- Disposable income, better education and also the growing trend of individuals opting for professional services to do their interiors have together led to a rise in this category
- Indians are now and have an exposure to lifestyles in other countries, this inspires them to have a similar lifestyle for themselves too

Our Home Furnishings Business started long back in 2004. Over the years we grew our business and today we are a trusted global supplier to our clients. To serve the clients, we have a dedicated EOU facility with more than 48 machines and a dedicated plastics facility at the Company's Halol Complex, which is operational from September 2021. With the Home Furnishing Major's entry into the Indian market and also opening of its online shopping website for selected cities in India, we see huge prospects of growth with regards to our clientele in the times to come.

Source: *https://www.indiaretailing.com/2017/05/01/retail/india-home-furnishing-market-prospects-and-opportunities/*

https://www.prnewswire.com/news-releases/online-home-decor-market-in-india-set-to-grow-by-usd-3-75-billion-from-2021-to-2026--home-furniture-segment-to-be-significant-for-revenue-generation--17000-technavio-reports-301495912.html

Management Discussion & Analysis

Toys Business

The global toys market size was US$ 129.45 billion in 2020. The global COVID-19 impact has been unprecedented and staggering, with the product witnessing a positive demand shock across all regions amid the pandemic. The global market exhibited a stellar growth of 22.30% in 2020. The market is projected to grow from US$ 141.08 billion in 2021 to US$ 230.64 billion by 2028 at a CAGR of 7.30% in the 2021-2028 period. The sudden fall in CAGR is attributable to this market's demand and growth, returning to pre-pandemic levels once the pandemic is over.

Toys play a major role in developing children's minds by improving their thought process and decision-making ability. They consist of different categories such as brain training, physical activity, promotional merchandise, and collectibles. Festival occasions are the major means of selling different kinds of play items to the kids for the associated companies. Therefore, the manufacturers are introducing different types of dolls that suit children's festivals, which, in turn, boosts their overall revenues.

The emergence of gaming items made up of eco-friendly materials such as bamboo, clay, cork, and others are likely to ease the demand for sustainably made dolls. Moreover, companies are increasingly focusing on developing games from recycled plastic material to meet such a demand, this in turn will tend to increase the market growth.

Driving Factors

- Rising social media influence of toy companies to propel market growth
- Recent toy technology events to support market growth
- The growing number of websites offering a wide range of toys and games has increased the demand for these products, especially among working parents who seek easy accessibility and convenience
- Rising income levels in the emerging markets
- Baby toys becoming smarter designed specifically for learning purposes

In 2021-22, we have ramped up this business and are expecting it to grow further in coming years. We had entered this industry by establishing relationship with one of the major players in the Toy market and we are proud to announce that we have positioned ourselves stronger in the industry by entering into relationship with other global toy giants. We foresee huge growth potential in this business going ahead as many global toy companies are now planning to diversify their sourcing and are looking at India as a potential manufacturing destination.

Source: *https://www.fortunebusinessinsights.com/toys-market-104699*

Global Pharma Devices Market

The global medical device market held a market value of US$ 434.2 billion in 2021 and is estimated to reach US$ 625.3 billion by the year 2027. The market is anticipated to register a CAGR of 6.3% during the forecast period of 2022 to 2027. The market volume for medical devices in 2021 is subjected to be 66,499,150.5 thousand units.

The increase in chronic diseases, such as, arthritis, liver inflammation, cancer, renal diseases, diabetes chronic pain, sciatica, and other nervous disorders boost the demand for medical devices. For instance, according to the Indian Council of Medical Research (ICMR), the Institute for Health Metrics and Evaluation, and the Public Health Foundation of India in 2019, 72 million Indians suffer from Type-2 diabetes, and this statistic is projected to be nearly double to 134 million by 2025, provided the current unhealthy dietary trends continue. In addition to that, the International Diabetes Federation states that the number of diabetic populations worldwide was 463 million in 2019.Such high statistics will aid in the market growth of the medical devices.

The rising elderly population across different countries indirectly rises the usage of medical devices for different vital functions. For instance, in India, geriatric population is predicted to be 193.8 million in 2031 including 92.9 million elderly males and 100.9 million elderly females. Such high statistics point towards the high usage of medical devices in high population countries, such as, India, China among others.

Source: *https://www.researchandmarkets.com/reports/5511315/global-medical-device-market-by-product-by?utm_source=GNOM&utm_medium=PressRelease&utm_code=3x3zzb&utm_campaign=1657629+-+Global+Medical+Device+Market+to+2027+-+by+Product%2c+Application%2c+End-user+and+Region&utm_exec=jamu273prd*

Management Discussion & Analysis

Global Pharma Drug Delivery Market

The drug delivery devices market was valued at US$ 258.81 billion in 2021, and it is expected to reach US$ 394.03 billion by 2027, registering a CAGR of 7.40% during the forecast period of 2022-2027.

The injectable drug delivery devices segment is estimated to witness a healthy growth over the forecast period. The injectable drug delivery devices are considered to administer drugs either intravenously, intramuscularly, or subcutaneously. The injectable method is the frequently used method for drugs with poor oral bioavailability, targeted drug delivery system, and delivery of drugs at the site of action. Injectable drug delivery is used in conditions, such as hormonal imbalance, diabetes, cystic fibrosis, autoimmune diseases, pain, Wilson's disease, hemophilia, hepatitis C, and ribose-5-phosphate isomerase deficiency.

An increase in the adoption of injectable drugs is currently driving the growth of the market. Additionally, companies operating in the prefilled syringes industry are getting regulatory approvals for various drugs used in syringes to increase their market share. For instance, in June 2019, IPSEN Biopharmaceuticals received UD FDA approval for its new prefilled syringe for Somatuline Depot (lanreotide).

One of the advantages of prefilled syringes over traditional packaging in vials includes ease of use. Prefilled syringes essentially eliminate the processes required before the use of the drug in a vial. Additionally, it helps eliminate dosing errors. Thus, due to the factors mentioned above, the injectable drug delivery devices segment is expected to register significant growth over the forecast period.

Source: *https://www.mordorintelligence.com/industry-reports/drug-delivery-devices-market*

Pharma Packaging Business

The global pharmaceutical packaging market size was US$ 90.23 billion in 2019 and is projected to reach US$ 153.93 billion by 2027, exhibiting a CAGR of 6.4% during the forecast period.

The pharmaceutical industry is growing at an unprecedent rate. The need for packaging in the medical industry is mainly dependent on the prevalence of communicable and non- communicable diseases. These packaging solutions are used to secure, store and protect drugs during transportation and storage. These solutions are highly regulated to ensure the protection of the medicines from physical damage and external influences that might lead to contamination until the consumption of medicines. Pharmaceutical packaging also helps to maintain the stability of the product through its shelf life, and is also used for product promotions. Further, it also helps manufacturers to differentiate their products from competitors. The rising demand for these products, in turn, will aid the development of novel drug packaging systems.

Plastic & polymers are the major raw material type used for pharmaceutical packaging. Cost-effectiveness, and excellent shatter resistance makes plastic an effective raw material for pharma packaging. Plastic can be easily converted into the required shapes such as vials, bottles, applicators, etc.

Source: *https://www.fortunebusinessinsights.com/pharmaceutical-packaging-market-102860*

We are one of the India's leading injection moulding companies in the pharma devices and packaging field. We are not just converters, we believe in providing total solutions to our clients, right from manufacturing to also assisting them in obtaining regulatory approvals. Shaily Engineering Plastics Limited has carved a niche for itself in the Pharma Devices and Packaging market. We have been able to build a strong pipeline in this segment which gives us confidence that it will become a major growth driver for the Company in the near future. We are expected to complete exhibit supplies of major medical devices in the years to come, creating strong pipeline for years to come for their commercial supplies.

In the last few years we have spent considerable time in developing our own intellectual properties for drug delivery devices, which is now reflecting in our performance. Healthcare business earns better margins for us and is poised to grow at a faster pace.

In Pens we have a strong product portfolio which is rare for any company to have globally. We have acquired 3 new customers for pen in the current fiscal year, 1 in insulin pen and 2 for GLP. During the year we have, added 12 drug delivery devices in commercial production. We aim to grow considerably in this segment over the years to come.

Management Discussion & Analysis

Carbon Steel Furniture Business

The global carbon steel market size was valued at US$ 887.7 billion in 2019 and is anticipated to attain a CAGR of 3.4% from 2020 to 2027. Increasing focus on infrastructure development particularly in Asia-Pacific countries is projected to drive the consumption of carbon steel products over the coming years. The Asia-Pacific is likely to attract nearly 50% of infrastructure investment over the coming years. Countries such as India, China, and Southeast Asian countries are spending higher portion of their budget on infrastructure development to boost the overall economic growth.

Source: *https://www.grandviewresearch.com/industry-analysis/carbon-steel-market*

We have done an Investment of ₹ 63 crore where Phase 1 plant is built in 70,000 sq. ft. area (total land of the facility is 8L sq. ft.). 600 tons of RM steel processed/annum and we started commercial production in Q3 2020-21. We have received orders for 6 new products which has scope to grow in future.

Automotive Segment

We continue to develop products and address the new age requirements of auto companies in their bid to enhance their performance. We continue to maintain steady state of business with our customers in this segment. Our product offerings are highly niche to this segment. We are expecting some launch of products happening from Shaily in this segment in the coming year.

FMCG Segment

In the FMCG segment, we provide end-to-end solutions that include Vacuum Metalizing, High Speed Pad Printing, Hot Stamping & Hot Foiling, Ultrasonic Welding and Painting. We have an injection moulding facility & secondary operation facility with high level of engineering skills.

In the appliances and lighting segment, we supply critical components for the needs of various kinds of knob assemblies for different appliances.

Financial Performance of the Company for 2021-22

- The Company reported a Consolidated Revenue of ₹ 57,653.42 lacs. Standalone revenue stood at ₹ 57,467.90 lacs in 2021-22 vis-à-vis 36,317.71 lacs in 2020-21.
- The Company reported Consolidated EBITDA of ₹ 9001.61 lacs in 2021-22. Standalone EBITDA stood at ₹ 8,984.68 lacs in 2021-22 as compared to ₹ 6213.77 lacs in 2020-21 i.e. a growth of 44.59% Y-o-Y. EBITDA margins reduced by 148 bps and reached to 15.63% in 2021-22.
- Consolidated Profit Before Tax (PBT) is ₹ 4,653.38 lacs in 2021-22. Standalone Profit Before Tax stood at ₹ 4,640.76 lacs as compared to ₹ 2,988.35 lacs in 2020-21 i.e. a growth of 55.29%.
- The company reported Consolidated Profit after Tax of ₹ 3,526.63 lacs in 2021-22. Standalone Net Profit i.e. Profit after Tax stood at ₹ 3,514.01 lacs in 2021-22 as compared to 2,202.08 lacs in 2020-21 i.e. a growth of 59.58% Y-o-Y.
- The revenue mix for exports to domestic sales stands at 75:25. The revenue mix continue to skew towards exports.
- Our Debt to Equity ratio stands at 0.47 times
- Total Capex spend (including work in progress) during 2021-22 is ₹ 12,656.79 lacs. The major capex has been towards the new plastics facility, Healthcare and Toys business
- Looking at the expansion projects on hand, the Company wishes to conserve cash for internal accrual purpose and hence do not propose any dividend.

Management Discussion & Analysis

Significant changes in Key Financial Ratios during 2021-22

The key financial ratios on Standalone basis are as below:

Key Financial Ratios	As at 31 March 2022	As at 31 March 2021	Variance (%)
Debtors Turnover Ratio	6.65	5.40	23.14%
Inventory Turnover Ratio	4.25	3.90	8.92%
Interest Coverage Ratio	5.91	5.37	10.03%
Current Ratio	1.56	1.24	25.95%
Debt Equity Ratio	0.47	1.10	-57.75%
Operating Profit Margin (%)	15.63%	17.11%	-8.62%
Return on Net Worth (%)	12.80%	12.91%	-0.78%

Note : Debtors and Inventory Turnover ratio is considered in number of times.

KEY DEVELOPMENTS DURING THE YEAR

Shaily (UK) Limited :

Ramp up of operations in the UK. Started design center operations.

Note : Shaily (UK) Limited is a Wholly Owned Subsidiary of the Company and headquartered in the UK. Shaily UK will be the design and research & development centre for various drug delivery devices. It has been establised for the sole purpose of creating leading technologies across the Pharma business segment that is in-license through our customers either directly or through product manufacture and supply. The Company is looking forward to expand our brand with this subsidiary.

Consumer Business :

Toys : Started supplies to a global toys company.

New Plastics Facility at Halol : Trial Production started at New Plastics Plant in Q1 2021-22. New Plastics facility started commercial operations in September 2021.

Home furnishing : Expanding brush manufacturing capacity. New capacity to be operational by Q1 2022-23

Automotive & Engineering Business :

Confirmation received for three actuator rods.

Healthcare Business :

- Two (2) new pen development contracts signed
- Acquired two (2) additional patents for pen devices in Shaily (UK) Limited
- Confirmation for two (2) Injector Pens received. Development would be done from Shaily (UK) Limited
- IP acquired for Pen Injector
- Contract for Pen Injector finalised with leading Indian Pharma Company
- Added 12 drug delivery devices in commercial production

Others :

Listing on the National Stock Exchange of India Limited (NSE) : Equity shares of the Company got listed on the NSE effective from 04 April 2022.

Management Discussion & Analysis

PREFERENTIAL ALLOTMENT OF SHARES

During the Financial Year 2021-22, the Company through preferential allotment by way of private placement issued 8,55,072 Equity Shares of face value ₹ 10/- each fully paid up at a price of ₹ 1,755/- per Equity Share (inclusive of premium of ₹ 1,745/- per Equity Share), for an aggregate consideration of ₹ 150,06,51,360/- (Rupees One Hundred Fifty Crores Six lacs Fifty One Thousand Three Hundred and Sixty only) to funds managed by marquee Investor groups – Lighthouse Funds and White Oak Funds.

This fund raise is being deployed for towards capacity expansion and for the long-term growth of the Company. The investment will be in the Healthcare, Toys and Home Furnishing business. This investment will allow us to leapfrog in the next phase of growth and strengthen our relationship as a strong supplier to global brands.

AWARDS AND RECOGNITIONS RECEIVED DURING 2021-22

- Certificate of Excellence in BPC-PGP Glass All India Kaizen Competition 2021-22, organised by Baroda Productivity Council on 12 May 2022.
- Top Exporter of Engineering Plastics Components for the year 2019-20 and 2020-21 conferred by the Plastics Promotion Council, on 16 April 2022. This award marks the 18th consecutive year, the Company has been awarded this honour.

ANALYST & INVESTOR MEETS/CONFERENCE CALLS

The Company hosts Earnings Call to discuss the financial, operational and business performance with Investors/Analysts, every quarter, after declaration of the results. Result presentations and transcripts of the earnings call held till date is available on the website of the Company at *https://shaily.com/investors/investor-presentation-updates*. The Company also participated in various Institutional Investor/ Analyst meets during the year. The details of the participation(s) are available on the website of the Company at *www.shaily.com*

QUALITY CERTIFICATIONS

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

SEPL is accredited with the following certifications:

TUV Rheinland – ISO 9001:2015

Design, Development and Manufacturing of Plastic Molded Components and Assemblies.

Automotive – TUV Rheinland – IATF 16949:2016

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

Primary Packaging – TUV SUD – ISO 15378:2015

Design, Development and Manufacturing of Plastic Moulded components and assemblies, used as primary packaging material for Medicinal Products.

Medical Devices – TUV Rheinland – ISO 13485:2016

Manufacturing of Plastic molded components and assemblies, used in medical devices.

MDSAP – Medical Devices Single Audit Programme

Contract Design, Contract and Manufacturing of re-usable and disposable pen injectors, rectal applicators, dry powder inhalers, vaginal tablet applicators, plastic bottle applicator with brush, underarm applicator and vaginal speculum with led illuminator for drug delivery and medical examination under ISO 13485:2016.

Management Discussion & Analysis

SOCIAL COMPLIANCE CERTIFICATION

The Company continues to be responsible for SEPL's social accountability policies. After due process of audit, SEPL has been accorded with Social Accountability certification as below :

SA 8000:2014 – Certification for organisation's Social Accountability Management System.

Responsible Business Alliance (RBA)

Audit in respect of compliance under Electronic Industries Code of Conduct (EICC/RBA version 6.0) and compliance with state, regional, national and international laws.

SECURITY CERTIFICATIONS

Shaily's business being a customer-driven business is audited periodically based on internationally accepted standards. The Company continues to be accorded with high satisfactory Global Audits certifications. Below are few global audits conducted across the Company's various facilities.

Intertek – Global Security Verification

Audit in respect of international supply chain security standards to secure trade, protection against terrorist acts and to combat illegal trafficking.

Authorised Economic Operator

Recognition & appreciation of company's commitment to secure the international supply chain and in compliance with the WOC's SAFE framework Authorised Economic Operator (AEO) programme under CBIC Circular Number 33/2016 dtd 22.07.2016.

RECOGNITIONS

The Company is recognised by the Government with the following recognitions :

Recognition of In-house R&D Unit

Government recognised R & D facility, recognised by Department of Scientific Research and Industrial Research Technology Bhavan, New Delhi established under Ministry of Science and Technology.

Two Star Export House

The Company's 100% EOU Plant has been accorded with the status of two-Star Export House under provisions of Foreign Trade Policy 2015-20 by the Directorate General of Foreign Trade (DGFT), Ministry of Commerce & Industry.

HUMAN RESOURCES :

With a total workforce of 2,000+ employees, which includes staff, permanent and contract workers, the prime objective of Human Resource function is employee development. To achieve success and profitability, the Company relies on its greatest assets – intellectual capital. SEPL's culture fosters continuous learning. In-house training programmes for employees at all levels are conducted on a regular basis. New employees are educated about the Company with 'Induction training'. Under this programme, new recruits undergo an induction training by departmental heads, which offer a broad overview of the Company's varied functions, processes, strategy and growth objectives. This allows the new incumbent to fit seamlessly within the organisation structure, culture and environment.

Employee Engagement Initiatives

The Company periodically carries out various employee motivation and engagement activities which include various festival celebrations, birthday celebrations, sports and competition events.

Internal Control System

The Company has a system of Internal Controls over financial reporting ensuring the accuracy of the accounting system and related financial reporting. The Internal Control System adheres to local statutory requirements for orderly and efficient conduct of business. The

Management Discussion & Analysis

efficacy of the internal checks and control systems are validated by Internal as well as Statutory Auditors. The Audit Committee reviews the adequacy and effectiveness of the internal control systems, significant audit observations and monitors the sustainability of remedial measures.

OUTLOOK ON OPPORTUNITIES AS WELL AS THREAT, RISKS AND CONCERNS.

Consumer Business :

- **Home Furnishing :**
  - We take pride in being supplier of choice for one of the world's most reputed & largest Swedish Home Furnishing Majors.
  - With the Swedish Home Furnishing Major planning to expand its presence in the country, the Company stands to gain. Also, Home Furnishing major's commitment to procure more and more domestically augurs well for us. We plan to further leverage our long-standing relationship to drive incremental growth in our business with the client.
  - We have set up a new plant at Halol for the Consumer business. We have built the requisite capabilities for new projects and remain confident of delivering as per the expected standards.
- **Toys Business :**
  - We successfully executed an order for this business for one of the largest global Toys company.
  - Shaily is manufacturing children's products which comply with the highest international standards
  - We foresee huge potential in this business and believe that it can become as large as our existing top customers in the years to come
- **Healthcare Business :**
  - Expansion of the generic market, technological advancement & strict Government regulations for conventional packaging are major factors that are expected to drive growth in this business.
  - Also, low competitive intensity due to higher compliance costs, longer gestation periods and zero tolerance towards any errors creates entry barriers for this business.
  - The Company has built varied capabilities in this business ranging from applicators to drug delivery devices. Developed its own Intellectual property in Injector Pens.
  - The Company has dedicated Healthcare facility, in-house research and development division.
- **Steel Furniture Business :**
  - Our largest client, the Swedish Home Furnishings major entrusted us with a new line of product into the Carbon Steel business. This indicates the confidence laid by them on our execution capabilities. The Company has already commenced commercial supplies in the previous financial year and significant ramp up is expected in the years to come.
- **Other Business :**
  - In the automotive business, the Company has been successful to garner incremental business from existing global clients.

As the Indian as well as world economy continue to struggle to come out of COVID-19 pandemic impact, it is important to consider threats associated with COVID-19 impact.

- Delay in execution due to external factors out of the Company's control as well as adverse changes in the International business environment may impact business as the Company derives large portion of Revenues from Export Sales.
- For expansion of business, a lot depends upon various external factors. We have heavy reliance on export markets and therefore how other countries are releasing and scaling up the economy will be a guiding factor for us.

Management Discussion & Analysis

- Container shortage faced around the globe, possesses a huge risk for delay in export supplies and rise in base prices.
- Client concentration risk is high as a large portion of the total revenue is derived from a single client. We have been working to penetrate into new clients and been successful in doing so, thereby gradually reducing risk of high reliance on single client. With growth in Toy and Pharma Business, we will have this risk to be reduced over a period of time.
- Since we are into rapid and multiple expansion for this year too, we run the risk of overrun of cost as well as delay in start up/ scaling up of the new plastic facility. The expansion is being taken at our existing Rania facility for Toys Business demand and so it is imperative that all expansions are controlled and focused for in time and within cost deliverables.
- The Company operates in contract manufacturing business as an OEM supplier, hence, business depends on customer requirements. Any fluctuation in the customer's demand can affect the Company's performance. We are also exposed to project risks due to delay in project implementation/cost escalation, risks on account of fluctuation in FX rates.

RISK MANAGEMENT:

As we transform our business and expand our product portfolio, understanding and managing our principal risks becomes more important than ever. We set out below the risks that are most material to our business and performance at this time. We also explain some of the mitigating actions that we believe help us to manage these risks.

Risks	**Mitigation Strategies**
Revenue growth: We are a B2B player and are dependent on the success of our customers products in end-market. Thereby, our business is exposed to global market forces, fluctuations in national economies, geopolitical uncertainty and natural crises, among others	We have diversified our business model and presence across multiple business offering comprehensive range of product portfolio that enables us to cater evolving customer requirements.
Labour and manpower availability: Production schedules gets impacted owing to challenges in terms of manpower availability	We have increased the mix of permanent labour and manpower in all our facilities. Further, we have hired technical manpower from ITI. Also, we have expansions happening in multiple locations (Rania and Halol Facilities) reducing our reliance for labour in one locality.
Raw material price volatility: Volatility in prices of raw materials can impact margins	We have a raw material price-pass-through arrangements with all our customers. The price-pass-through mechanism is varied across customers. With reputed customers and a streamlined process, the pass-through process of price revision is transparent and easier to execute.

For and on behalf of the Board of Directors

Mahendra Sanghvi
Executive Chairman
DIN : 00084162

Vadodara
May 30 2022

Board's Report

Dear Members,

Your Directors have pleasure in presenting their 42nd Annual Report together with the Audited Financial Statement for the year ended on 31 March 2022.

Operations and State of Affairs of the Company:

(₹ in lacs)

Particulars	Standalone Basis		Consolidated Basis	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations	56,585.20	36,059.64	56,770.68	N.A.
Other Income	882.70	258.07	882.74	N.A.
Profit for the year before Interest, Depreciation, Amortisation & Tax	8,984.68	6,213.77	9,001.61	N.A.
Finance Cost	1,694.48	1,272.82	1,694.48	N.A.
Depreciation and Amortisation Expense	2,649.43	1,952.60	2,653.74	N.A.
Profit before Tax	4,640.76	2,988.35	4,653.38	N.A.
Net Profit for the year	3,514.01	2,202.08	3,526.63	N.A.

Note :

a. The above figures are extracted from the Standalone and Consolidated Financial statements prepared in accordance with Indian Accounting Standards (Ind AS) as specified in the Companies (Indian Accounting Standards) Rules, 2015, read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b. Shaily (UK) Ltd., became a subsidiary of the Company during the Financial Year 2021-22, hence, corresponding figures of previous financial year 2020-21 are not available.

Operations and Business

During the year, the Company has commenced operation of its new Halol Plastics facility. It has also commenced commercial supplies of its toys business. Expansion of Pharma facility is on-going and is expected to complete in key developments during the year on the business development of the Company are covered in the Management Discussion and Analysis.

Change in Capital Structure

During the year, the Company had through Private Placement by way of Preferential Allotment, issued and allotted 855,072 equity shares of face value ₹ 10/- per share at a price of ₹ 1755/- per equity share (inclusive of premium of ₹ 1745/- per equity share), aggregating to approximately ₹ 150 Cr.

Through this Preferential issue, the issued, subscribed and paid-up capital of the Company now stands at 91,73,502 equity shares of face value of ₹ 10/- per share.

Subsidiary of the Company

As on 31 March 2022, Shaily (UK) Ltd., established in the United Kingdom as a Pvt. Ltd. Company, is a Wholly owned subsidiary of the Company.

It is the first year of inception of the Wholly owned subsidiary Company i.e., Shaily (UK) Ltd. Shaily (UK) Ltd shall operate as a Design Centre and a Research & Development division for varied medical and drug delivery devices. A statement containing the salient features of the financial statements of Shaily (UK) Ltd. as on 31 March 2022 as required under Section 129(3) of the Act forms part of the consolidated financial statements.

In terms with provisions of Section 136 of the Companies Act, 2013, the Annual Report of the Company, containing therein its Standalone and Consolidated financial statements is hosted on the website of the Company at www.shaily.com . Audited Annual Financial Statements of Shaily (UK) Ltd. as on 31 March 2022, is available on the website of the Company at https://www.shaily.com/investors/financials

The Company does not have any associate or joint venture Company.

Appropriations

- **Transfer to Reserves**

  The Company does not propose to transfer amounts to any reserve(s) out of the amount available for appropriation.

- **Dividend**

  The Company is expanding its facilities and re-investing cash accruals for the same. In view of it, the Company has decided not to pay any dividends for the current year.

  In view of the same, your Directors do not recommend dividend for this financial year.

  The Register of Members and Share Transfer Books will remain closed from Saturday, 20 August 2022 to Saturday, 27 August 2022 (both days inclusive) for the purpose of 42nd Annual General Meeting ("AGM") scheduled to be held on Saturday, 27 August 2022.

Management Discussion and Analysis

In terms of the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of the said regulations, Management Discussion and Analysis is set out in this Annual report. Certain statements in the said report may be forward looking. Many factors may affect actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

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 A**.

Utilisation of funds from proceeds of Preferential Issue

As on 31 March 2022, ₹ 3,025.89 lacs have been utilised from the proceeds of Preferential Issue towards the objects for which the same were raised.

Directors & Key Managerial Personnel

a. Appointment of Mr. Samaresh Parida (DIN: 01853823) as an Independent Director

The Board, upon recommendation of the Nomination & Remuneration Committee, at its meeting held on 30 May 2022, appointed Mr. Samaresh Parida as an Additional Director - Independent of the Company to hold office till the conclusion of the 42nd Annual General Meeting of the Company

The Board, upon further recommendation of the Nomination & Remuneration Committee at its meeting held on 30 May 2022, recommends appointment of Mr. Samaresh Parida as an Independent Director for a period of 5(five) consecutive years to hold office from 30 May 2022 to 29 May 2027 for the approval of the members at the forthcoming 42nd Annual General Meeting of the Company.

Brief profile of Mr. Samaresh Parida alongwith other details as required under the prevailing law, forms part of the Explanatory Statement to the Notice of 42nd Annual General Meeting of the Company.

b. Appointment of Ms. Sangeeta Singh (DIN: 06920906) as an Independent Director

The Board, upon recommendation of the Nomination & Remuneration Committee, at its meeting held on 30 May, 2022, appointed Ms. Sangeeta Singh as an Additional Director - Independent of the Company to hold office till the conclusion of the 42nd Annual General Meeting of the Company

The Board, upon further recommendation of the Nomination & Remuneration Committee at its meeting held on 30 May 2022, recommends appointment of Ms. Sangeeta Singh as an Independent Director for a period of 5(five) consecutive years to hold office from 30 May 2022 to 29 May 2027 for the approval of members at the forthcoming 42nd Annual General Meeting of the Company.

Brief profile of Ms. Sangeeta Singh alongwith other details as required under the prevailing law, forms part of the Explanatory Statement to the Notice of 42nd Annual General Meeting of the Company.

c. Re-appointment of Ms. Tilottama Sanghvi (DIN : 00190481) as a Whole Time Director

The Board, upon recommendation of the Nomination & Remuneration Committee, at its meeting held on 30 May 2022, subject to approval of the shareholders at the forthcoming 42nd Annual General Meeting, approved re-appointment of Ms. Tilottama Sanghvi as a Whole Time Director of the Company, effective from 1 February 2023, for a further period of three (3) years from 1 February 2023 to 31 January 2026.

Brief profile of Ms. Tilottama Sanghvi alongwith other details as required under the prevailing law, forms part of the Explanatory Statement to the Notice of 42nd Annual General Meeting of the Company.

d. Re-appointment of Executive Directors

The members of the Company had during the year, by way of Postal Ballot, approved re-appointment of Mr. Mahendra Sanghvi (DIN: 00084162) as an Executive Chairman and Mr. Laxman Sanghvi (DIN: 00022977) as an Executive Director, both with revision in remuneration, effective from 1 April 2022 for a period of 3 (three) years.

e. Retirement by Rotation

As per the provisions of the Companies Act, 2013, Mr. Mahendra Sanghvi (DIN: 00084162), retires by rotation at the forthcoming 42nd Annual General Meeting of the Company and being eligible, seeks re-appointment. The Board recommends his re-appointment.

f. Resignation of Ms. Varsha Purandare (DIN: 05288076) from the office of Independent Director

Ms. Varsha Purandare has resigned from the office of Independent Director of the Company, effective from 29 April 2022 due to personal reasons. Your Directors express their gratitude for the contribution made by Ms. Varsha Purandare during her tenure as an Independent Director.

Key Managerial Personnel

As on 31 March 2022, the Key Managerial Personnel of the Company are Mr. Mahendra Sanghvi, Executive Chairman, Mr. Laxman Sanghvi, Executive Director, Ms. Tilottama Sanghvi, Whole Time Director, Mr. Amit Sanghvi, Managing Director and Ms. Preeti Sheth, Asst. Company Secretary & Compliance Officer, in accordance with Section 203 of the Companies Act, 2013.

Mr. Chintan Shah has resigned from the office of Chief Financial Officer of the Company, effective from close of business hours on 31 January 2022.

Mr. Ashish Somani is appointed as the Chief Financial Officer and Key Managerial Personnel of the Company, effective from 30 May 2022.

Meetings of Board

The Board met seven (7) times during the financial year. Details of the meeting(s) are provided in the Corporate Governance Report that forms part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

Policy on Nomination & Remuneration

The existing policy is to have an appropriate mix of Executive and Independent directors to maintain independence of the Board and separate its functions of governance and management. As of 31 March 2022, the Board had eight (8) members, four (4) of whom are Executive directors and four (4) are Independent Directors. The Board has two Women Directors, out of which one Woman Director is an Executive Director and one-Woman Director is an Independent Director.

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, in accordance with SEBI (Listing Obligations and Disclosure Requirements), 2015, is available at our website at *https://www.shaily.com/investors/corporate-governance* at weblink *https://s3.ap-south-1.amazonaws.com/shaily/NVmusaHvSkCkSxPngRsT-sepl-nomination-remuneration-policy-pdf*

Board's Report

Salient features of the Nomination & Remuneration Policy are as under :

1. Setting out the objectives of the Policy
2. Definitions for the purpose of the Policy
3. Policy for appointment and removal of Director, Key Managerial Personnel and Senior Management.
4. Policy relating to the remuneration for the Directors, Key Managerial Personnel, Senior Management Personnel and other employees.
5. Remuneration to Non-Executive/Independent Directors.

We affirm that the remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration policy of the Company.

Declaration by Independent Directors

The Independent Directors of the Company have given their declaration to the Company that they meet the criteria of independence as required under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

Your Board of Directors confirm the integrity, expertise, experience and proficiency of the Independent Directors of the Company.

Familiarisation 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 their role, function, duties and responsibilities as an Independent Director. The format of the letter of appointment is available on our website at https://shaily.com/investors/corporate-governance.

The Board members are provided with necessary reports, internal policies, periodical plant visits to enable them to familiarise 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 familiarisation programme for Independent Directors are available at our website at https://shaily.com/investors/corporate-governance

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, its committees and of individual directors on an evaluation framework by way of individual and collective feedback from the Directors.

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

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

The outcome of Board Evaluation for 2021-22 was discussed by the Nomination and Remuneration committee and the Board at their respective meeting(s) held on 30 May 2022.

Board's Report

Committees of the Board

The Board has five (5) committees, namely;

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report, which form part of this Annual Report.

During the year, there were no instances where the Board has not accepted recommendation(s) of any Committee of the Board.

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.

Report on Corporate Governance for 2021-22 forms part of this Annual Report.

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 recognises that its operations impact a wide community of stakeholders, including investors, employees, customers, business associates and local communities and that appropriate attention to the fulfilment of its corporate responsibilities can enhance overall performance. The Company continues its CSR spend towards support to local initiatives, health/medical and education sector, sanitation/cleanliness, Rural Development and such varied activities towards Corporate Social Responsibility initiatives.

In compliance with requirements of Section 135 of the Act, the Company has laid down a CSR Policy. The composition of the Committee, contents of CSR Policy and report on CSR activities undertaken during the FY 2021-22 in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as **Annexure B**.

Annual Return

A copy of Annual Return as required under Section 92(3) and Section 134(3)(a) of the Act has been placed on the Company's website at https://shaily.com/investors/corporate-governance.

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 C**.

A statement showing the names and particulars of the employees falling within the purview of Rule 5(2) and 5(3) of the aforesaid rules are provided in the Annual Report. The Annual Report is being sent to the members of the Company excluding the aforesaid information. The said information is available for inspection at the Registered Office of the Company during working hours and the same will be furnished on request in writing to the members.

Audit Reports and Auditors

Audit Reports

Board's Report

- The Independent Auditors' Report on Standalone and Consolidated Financial Statements for 2021-22 does not contain any qualification, reservation or adverse remark. The Independent Auditors' Report is enclosed with the financial statements in this Annual Report.
- The Secretarial Auditors' Report for 2021-22 does not contain any qualification, reservation or adverse remark. However, the Secretarial Audit Report contains observations pertaining to delayed filing of Reports/Disclosures as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Secretarial Auditors' Report is enclosed as **Annexure D** to the Board's Report in this Annual Report.
- As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors' certificate on Corporate governance is enclosed with the Corporate Governance Report in this Annual Report. The auditors' certification on the requirement of Corporate Governance for 2021-22 does not contain any qualification, reservation or adverse remark except Observations pertaining to delayed filing of Reports / Disclosures as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

  Explanation on Observations made in the Secretarial Audit Report and Corporate Governance Certificate

  During the year, there were instances of delay in certain statutory filings with the Stock Exchange. The same was inadvertent and the Company has taken appropriate steps in the matter.
- The Company has obtained Certificate from M/s Samdani Shah & Kabra, Company Secretaries, Vadodara and Secretarial Auditors of the Company regarding Non-disqualification of Directors, which is enclosed with the Corporate Governance Report in this Annual Report. Accordingly, none of the Directors are disqualified.

Reporting of fraud by auditors

During the financial year 2021-22, neither of the auditors viz., Statutory Auditors, Secretarial & Corporate Governance Auditors, Internal Auditors and Cost Auditors have reported to the Audit Committee, under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees.

Auditors

Statutory Auditors

M/s B S R & Associates LLP, Chartered Accountants (Firm Registration number 116231W/W-100024) are the Statutory Auditors of the Company till the conclusion of the 43rd Annual General Meeting of the Company to be held in the year 2023.

Details of fees paid to the Statutory Auditors for all services provided by the Statutory Auditor for the 2021-22, forms part of the Corporate Governance Report and financials of the Company, included in this Annual Report.

Secretarial & Corporate Governance Auditors

The Board has appointed M/s Samdani Shah & Kabra, Company Secretaries, as Secretarial & Corporate Governance Auditors of the Company for 2022-23 in terms with Section 204 of the Companies Act, 2013 with rules thereunder.

Cost Auditors

M/s Y.S. Thakar & Co., Cost Accountants, Vadodara are appointed as Cost Auditors of the Company to conduct audit of cost records of the Company for 2022-23.

Based upon the declaration on their eligibility, consent and terms of engagement, the Board at its meeting held on 30 May 2022, have appointed the Cost Auditors and recommends the ratification of remuneration to be paid to the Cost Auditors for 2022-23 to the shareholders of the Company.

Maintenance of Cost Records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 is applicable to the Company and accordingly such accounts & records are prepared, maintained and submitted with regulatory authorities, as required, from time to time.

Internal Auditors

The Board has appointed M/s Shah Jain & Hindocha, Chartered Accountants, based at Vadodara, Gujarat as Internal Auditors of the Company for 2022-23.

Business Responsibility Report

Report on Business Responsibility, in the format as prescribed by the Securities and Exchange Board of India, forms part of the Board's Report at **Annexure – E**.

Policy on Business Responsibility Reporting is available on the website of the Company at *https://shaily.com/investors/corporate-governance* at weblink *https://s3.ap-south-1.amazonaws.com/shaily/xOSURnhQ8aO9XqRpYYJa-sepl-brr-policy-pdf*.

Risk Management

The Company has a mechanism in place 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 Risk Management Committee, Audit Committee and the Board of Directors of the Company.

The Risk Management Policy of the Company is available on the website of the Company at *https://shaily.com/investors/corporate-governance* at weblink *https://s3.ap-south-1.amazonaws.com/shaily/xPWCj6xeT06ZOyzinzhU-sepl-risk-management-policy-pdf*.

Vigil Mechanism

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

The Vigil Mechanism Policy of the Company is available on the Company's website at *https://shaily.com/investors/corporate-governance* at weblink *https://s3.ap-south-1.amazonaws.com/shaily/NfQYzYSLQ0mYQEv1OyMv-vigil-mechanism-policy-pdf*.

Internal Financial control & its adequacy

The Company's internal control procedures which includes internal financial controls, ensure compliance with various policies, practices and statutes and keeping in view the organisation's pace of growth and increasing complexity of operations. The internal auditors team carries out extensive audits throughout the year across all plants and functional areas and submits its reports to the Audit Committee of the Board of Directors.

Contracts & Arrangements with Related Parties

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

The Directors draw attention to the members to Note No. 33 to the Standalone and Consolidated financial statement in this Annual Report, which sets out related party disclosures.

Particulars of Loans, Guarantees or Investments

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

Deposits

The Company has not accepted deposits from the public falling within the ambit of section 73 of the Companies Act, 2013 and the

Board's Report

Companies (Acceptance of Deposits) Rules, 2014. Therefore, requirement of applicable law and regulations for disclosure of details of deposits under section 134(3)(q) of the Companies Act, 2013 and rule made thereunder is not applicable.

Secretarial Standards

The Company complies with all the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

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

The Company strongly believes in providing a safe and harassment free workplace for each and every individual working for the Company. 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.

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Dividend Distribution Policy

In terms with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has adopted Dividend Distribution Policy, which is placed on the website of the Company at *https://shaily.com/investors/corporate-governance* at weblink *https://s3.ap-south-1.amazonaws.com/shaily/ROo8JgnUQPiO3h8HqMY0-dividend-distribution-policy-pdf*.

Listing of shares

The Equity shares of the Company are listed on the BSE Ltd. (BSE) with Scrip code: 501423 and Scrip ID: SHAILY.

Effective from 4 April 2022, the Equity shares of the Company are listed on the National Stock Exchange of India Ltd. with Scrip ID: SHAILY.

The Company confirms that the Annual Listing fees to both the stock exchanges for 2022-23 has been paid.

Material Changes

There have been no material changes and commitments since the close of financial year i.e., 31 March 2022 till the date of Board's report, which may affect the financial position of the Company.

Change in nature of business

There has been no change in the nature of business of the Company.

Significant/material orders passed by Regulators/courts/tribunal

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

Green Initiative

Electronic copies of the Annual Report 2021-22 and the Notice of the 42nd Annual General Meeting are being sent to all members whose email addresses are registered with the Registrar & Share Transfer Agents (RTA) of the Company /Depository participant(s).

The regulatory authorities i.e. the Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI"), vide MCA Circular No. 02/2022 dated 05 May 2022 and SEBI Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13 May 2022, continued to extend relaxation to Companies including listed entities for holding Annual General meeting through virtual mode and sending electronic copies of Annual Report and Notice to its members.

It is hereby requested to all the shareholders to kindly update your email id with your Depository Participant in case of shares are held in demat and with Company's Registrar and Transfer Agent in case of shares are held in physical to ensure timely receipt of required information.

42nd Annual General Meeting

In order to contain the spread of pandemic and safety precautions to be exercised, the Ministry of Corporate Affairs ("MCA") vide Circular No. 02/2022 dated 5 May 2022 and SEBI Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13 May 2022, continued to allow companies to hold General Meetings through Video Conferencing facility or through any other audio-visual means.

This is a welcome move by the Ministry.

Hence, for the convenience of the members, the Company has decided to continue to hold its Annual General Meeting through Video Conference, to facilitate members to attend the 42nd Annual General Meeting of the Company.

Details of the meeting and the facility is provided in the Notice of the 42nd Annual General Meeting.

Application(s) made /proceedings pending under the Insolvency and Bankruptcy Code, 2016

The Company has made an application under the Insolvency and Bankruptcy Code, 2016, with the National Company Law Tribunal, Ahmedabad Bench ("the NCLT") against one of its customers, Agile Plast Pvt. Ltd. Value of Litigation is ₹ 27 lacs. As on 31 March 2022, the matter is pending before the NCLT.

General Disclosures :

- The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- The Managing Director and the Whole Time Directors during the financial year 2021-22 have not received any amount as commission from the Company.
- The Managing Director and the Whole Time Directors during the financial year 2021-22 have not received any commission/ remuneration from the Subsidiary Company. The Company does not have any Holding Company.
- During the financial year 2021-22, there was no instance of one-time settlement with any Bank or Financial institution. Hence, the disclosure requirement in the context is not applicable.

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 March 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(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 to be followed by the Company, which are adequate and are operating effectively; and

Board's Report

(vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Acknowledgements

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

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

For and on behalf of the Board of Directors

Mahendra Sanghvi
Executive Chairman
DIN: 00084162

Vadodara
30 May 2022

Annexure A

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:

Shaily is committed to transform energy conservation into a strategic business goal alongwith technological sustainable development of Energy Management System. The Company constantly endeavours to reduce energy consumption in all its operations.

Shaily has in its credit an in-house Research & Development accreditation recognised by the Department of Scientific & Industrial Research Technology, New Delhi, Ministry of Science & Technology.

(A) Conservation of Energy

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

(i) Steps taken or impact on conservation of energy:

- The Company has installed a number of devices in its plants for conservation/reducing the energy requirements.
- CFL bulbs being replaced with LED lightning with less energy consumption.
- Monitoring of energy parameters viz., maximum demand, power factor, load factor, TOD tariff utilisation on regular basis.
- Upgradation of transformer to OLTC base which reduces power loss, consumes lesser energy with reduced maintenance cost and increase in load capacity.
- Use of higher cavitation moulds which can provide same output with lesser energy consumption.
- Use of “Stack moulds” which produces different components of the same product at a single time in a single machine, which were earlier manufactured in different machines. This resulted into higher machine utilisation rate, reduction in cycle time, enhanced production and better efficient usage of energy.
- Installation of pneumatic auto shut-off valves in in-let pipes at moulding area, thereby achieving reduction in idle time power losses.
- Replacement of individual portable chillers with Centralised chilling plant for moulding shop floors, thereby achieving reduction in overall power consumption.
- Periodical conduct of safety audits to ensure efficiency of safety measures adopted across all facilities.
- Installation of Softner plant for cooling tower, thereby reducing wastage of RO water.
- Use of Individual lights at respective desks to switch off when not in use, thereby reducing power consumption.
- Installation of Capacitor bank to maintain power factor 0.93-0.95, thereby maintenance of overall power consumption and resultant energy saving.
- Installation of Temperature Controller at Cooling Towers, thereby reducing power consumption.
- Foam insulation of Chiller Lines, resulting in reduction of power consumption, increase in life of Chiller lines.
- Use of occupancy sensor in Corridor and Washroom, thereby reducing power consumption.

(ii) Steps taken for utilising alternate sources of energy

- Company has adopted “rain-water harvesting system”. This system provides valuable assistance in collection & storage of rain water for varied end application 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.

Annexure A

(B) Technology Absorption

(i) Efforts made towards technology absorption:

Research and Development:

- The Company has developed and manufactured several dies and moulds and has also developed several plastic components, which were earlier imported. The activities in development are carried out by technicians and the expenditure thereon, is debited to the respective heads.
- Development of new design, processes and products from conceptualisation to manufacture, for some customers.
- Development of complex designs for components of medical devices.
- Successful in conversion of products manufactured from virgin material to recycled and bioplastics material.
- Development and set up of assembly machine and assembly line for injector pens to detect manual errors, thereby increase in productivity.
- Installation of "Harmonic Arresters" in electrical circuits, which reduces damages due to electricity fluctuations, thereby reduction in repairs & maintenance and overall power consumption.

Technology absorption, adaption and innovation:

- The Company has manufactured varied plastic components of international standard/quality, which are import substitutes for diverse applications. Kaizen and Lean Sigma forms a significant part of our strategy, resulting in improvement across business landscape.
- Use of Robotics in the production process, yielding into reduced cycle time, improvement in productivity and process efficiencies.

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

- Continuous upgradation and adoption of new technology for better productivity and yield.
- 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.
- Improved performance of machines and its utilisation.
- Enhanced global presence/visibility.

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

(iv) Expenditure incurred on Research & Development:

During the year, the Company has not done any expenditure on R&D.

(C) Foreign Exchange Earnings and Outgo

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

Foreign exchange earned in terms of actual inflows during the financial year 2021-22 was ₹ 9146.67 lacs.

Foreign exchange outgo in terms of actual outflows during the financial year 2021-22 was ₹ 22671.50 lacs.

For and on behalf of Board of Directors

Mahendra Sanghvi
Executive Chairman
DIN: 00084162

Vadodara,
30 May, 2022

Annexure B

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

1. A brief outline of the Company's CSR Policy :

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 as prescribed under Schedule VII to the Companies Act, 2013 , through various "Not for profit" organisations (NGO's) as well as through direct channel.

2. Composition of CSR Committee :

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of CSR Committee meeting eligible to attend and attended during the year
1	Ranjit Singh	Chairman - Independent Director	1/1
2	Laxman Sanghvi	Member - Executive Director	1/1
3	Tilottama Sanghvi	Member - Whole Time Director	1/1

3. Meetings held during the year :

There was one meeting of CSR Committee held during the year on Saturday, 29 May 2021.

4. Weblink where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Company are disclosed on the website of the Company.

a. Weblink of Composition of CSR Committee :

https://www.shaily.com/investors/committees-of-boards-key-officials

b. Weblink of CSR Policy:

https://www.shaily.com/investors/corporate-governance at *SEPL CSR Policy*

c. Weblink of CSR Projects of the Company :

https://www.shaily.com/investors/corporate-governance

5. Details of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.

As per the referred rule, if the Company has an average CSR obligation of ₹ 10 Cr or more in immediately three preceding years, Impact Assessment Report is required for those CSR projects which have an outlay of ₹ 1 Cr or more. During the immediately preceding three years, the average CSR obligation of the Company is less than ₹ 10 crores. Hence, requirement under this sub-rule is not applicable to the Company.

6. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

For the financial year 2021-22, there is no amount that is available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, hence details required to be reported is not applicable for the financial year ended on 31 March 2022.

7. Average Net Profit of the Company for the last three financial years as per Section 135 (5) :

The average net profit of the Company for the last three financial years is ₹ 3,017,85,875/-

Annexure B

Details of CSR Obligations:

(a)	Prescribed CSR Expenditure (two percent of the amount as in item 7 above)	:	₹ 60,35,718/-
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	:	Nil
(c)	Amount required to be set off for the financial year, if any	:	Nil
(d)	Total CSR obligation for the financial year (8a+8b+8c)	:	₹ 60,35,718/-

8. (a) Details of CSR spent or unspent for the financial year

Total Amount Spent for the Financial Year (In ₹)	Amount Unspent (In ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 24,81,500 /-		-	-	-	-

Note : The Company is in process of transfer of unspent CSR amount of ₹ 35,54,218/- for the financial year 2021-22 to funds specified under Schedule VII of the Act read with the Companies (Corporate Social Responsibility) Policy Rules, 2014. During 2021-22, the Company has transferred unspent amount of ₹ 80,404/- pertaining to 2020-21 in PM Cares fund on 29 September 2021.

(b) Details of CSR Amount spent against ongoing projects for the financial year :

Nil. There are no ongoing projects as defined under sub rule (i) of Rule 2 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 for the financial year 2021-22.

(c) Details of CSR Amount spent against other than ongoing projects for the financial year :

Sr. No.	Name of the CSR Project	Sector in which the project is covered i.e. Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of project/program		Amount spent for the project (In ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation through Implementing agency	
				State	District			Name	CSR Registration number
1.	Donation to 'Shri Halar Sarvajiv Seva Samaj Trust,Jamnagar' towards development and shelter to economically weaker section of the Society.	Rural Development	No	Gujarat	Jamnagar	78,000	Yes	Direct	Not applicable
2.	Donation to 'Disha Charitable Trust,Vadodara' to children with Autism, Down's syndrome, Cerebral Palsy, Deaf-blindness, Mental Retardation and other Developmental Disabilities.	Healthcare & Education	Yes	Gujarat	Vadodara	1,00,000	Yes	Direct	Not applicable
3.	Donation to 'Shree Narhari Manav Kalyan',Vadodara for the procurement of Ventilator/s for Medical purpose i.e. To fight against COVID-19 pandemic.	Healthcare	Yes	Gujarat	Vadodara	5,60,000	Yes		Not applicable

Annexure B

Sr. No.	Name of the CSR Project	Sector in which the project is covered i.e. Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of project/program		Amount spent for the project (In ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation through Implementing agency	
				State	District			Name	CSR Registration number
4.	Our CSR fund has been allocated through 'Faculty Campus Agency' for the procurement of resources- Medicine, food, ration kit, oximeter, nutrition food, vaporiser, digital thermometer, etc. to fight against COVID-19 pandemic.	Sanitation / Cleanliness purpose	Yes	Gujarat	Vadodara	50,000	Yes		Not applicable
5.	Our CSR fund has been allocated to 'RM Industries Association' for Oxygen Plant to fight against COVID-19 pandemic.	Healthcare	Yes	Gujarat	Vadodara	1,00,000	Yes		Not applicable
6.	Our CSR fund of ₹ 13,00,000/- has been allocated to 'Shri Jagatbhart' for promoting Vocational training education.	Education	No	Gujarat	Surendranagar	13,00,000	Yes		Not applicable
7.	Our CSR fund of ₹ 30,000/- has been allocated to 'Vikas Jyot Trust' towards Street children project for promoting education.	Education	Yes	Gujarat	Vadodara	30,000	Yes		Not applicable
8.	Our CSR fund of ₹ 35,000/- has been allocated to 'Confederation of Indian Industry' for encouraging & educating the Yi Vadodara Box Cricket League.	Education	Yes	Gujarat	Vadodara	35,000	Yes		Not applicable
9.	Our CSR fund of ₹ 25,000/- has been allocated to 'Kabaddi Association' for encouraging & educating the game of Kabaddi.	Promotion of Nationally recognised sports	Yes	Gujarat	Vadodara	25,000	Yes	Direct	Not applicable
10.	Our CSR fund of ₹ 31,000/- has been allocated to 'Halar Sarvjiv Seva Samaj Charitable Trust' towards healthcare and development to economically weaker section of the Society.	Healthcare	No	Gujarat	Jamnagar	31,000	Yes		Not applicable

Annexure B

Sr. No.	Name of the CSR Project	Sector in which the project is covered i.e. Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of project/program		Amount spent for the project (In ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation through Implementing agency	
				State	District			Name	CSR Registration number
11.	Our CSR fund of ₹ 50,000/- has been allocated to 'Vikas Jyot Trust' towards Street children project for promoting education.	Education	Yes	Gujarat	Vadodara	50,000	Yes	Direct	Not applicable
12.	A Free Medical check up & awareness Camp was organised at Kalol village (Bhairav Ni Muvadi Primary School) through the team of Doctor and Nursing Staff from Satyam hospital(Quali Health Care Pvt. Ltd.) on 11 March 2022. Free of cost medicines were also provided to the patients during the camp. Packets of Glucose biscuits were distributed amongst the children and others.	Healthcare	No	Gujarat	Kalol	10,000	Yes	Direct	Not applicable
13.	Desktop-Computers (2) & Printer(1) have been donated to the Bhadarwa Police Station for office use.	Rural Development	Yes	Gujarat	Vadodara	1,12,500	Yes	Direct	Not applicable
						24,81,500			

(d) Amount spent in Administrative Overheads: ₹ 0/-

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total Amount spent for the financial year (9a+9b+9c): ₹ 24,81,500/-

(g) Excess amount for set off, if any: Not applicable

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5)	60,35,718/-
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the Financial year (ii-i)	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Not Applicable
(v)	Amount available for set off in succeeding financial years [(iii) - (iv)]	Not Applicable

Annexure B

9. (a) Details of Unspent CSR Amount for the preceding three financial years:

Sr. No.	Preceeding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (In ₹)	Amount spent in the reporting Financial Year (In ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years (In ₹)
				Name of the Fund	Amount	Date of transfer	
1	2018-19	N.A.	N.A.	Not Applicable			Not Applicable
2	2019-20	N.A.	N.A.	Not Applicable			Not Applicable
3	2020-21	Nil	Nil	PM Cares Fund	80,404/-	29 September 2021	Not Applicable

Note : The Ministry of Corporate Affairs vide Notification No. G.S.R. 40(E) dated 22 January 2021, amended the Corporate Social Responsibility Policy Rules, 2014. As per the amended rule 9 sub-rule 10, it is mandated to transfer unspent CSR amount for a financial year to funds specified under Schedule VII of the Companies Act, 2013. Prior to such amendment, no such requirement was prescribed, hence, the Company has not transferred unspent CSR amount, if any, to funds specified under Schedule VII, before such amendment. Explanations for the same has been provided for in CSR Report(s) of respective financial years as required pursuant to the applicable provisions of the Act and rules made thereunder.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) :

Nil. There are no ongoing projects as defined under sub rule (i) of Rule 2 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 for preceding financial year(s).

10. In case of creation or acquisition of capital, furnish details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details)

(a) Date of creation or acquisition of the capital asset(s) : Not applicable

(b) Amount of CSR spent for creation or acquisition of capital asset : Not applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc : Not applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). : Not applicable

11. Reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5) :

The Company is in the process of identification of appropriate projects towards its CSR obligation, therefore the Company could not spend its CSR funds during the Financial Year 2021-22. However, the unspent amount of ₹ 35,54,218/- will be transferred to funds specified under Schedule VII of the Companies Act, 2013 within the prescribed time limit.

Mahendra Sanghvi
Executive Chairman
DIN: 00084162

Ranjit Singh
Chairman – CSR Committee
DIN: 01651357

Vadodara
30 May 2022

Annexure C

As per the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to disclose following information in the Board's Report :

1. Ratio of Remuneration of each Executive Director to the median remuneration of the employees of the Company for the financial year 2021-22:

Name of Director	Designation	Ratio to Employees
Mr. Mahendra Sanghvi	Executive Chairman	49.64
Mr. Laxman Sanghvi	Executive Director	28.54
Ms. Tilottama Sanghvi	Whole Time Director	24.82
Mr. Amit Sanghvi	Managing Director	49.64

Note : Independent Directors are not paid remuneration or commission. They are only paid sitting fees for attending meetings of Board and Committees thereof.

2. Percentage increase in remuneration of each Executive Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, during the financial year 2021-22:

Name	Designation	% Increase/ (Decrease)
Mahendra Sanghvi	Executive Chairman	0
Laxman Sanghvi	Executive Director	0
Tilottama Sanghvi	Whole Time Director	0
Amit Sanghvi	Managing Director	0
Chintan Shah	Chief Financial Officer (Uptil 31 January 2022)	11%
Preeti Sheth	Asst. Company Secretary	17%

3. Percentage increase in median remuneration of employees in the financial year 2021-22:

The median remuneration of employees was increased by 13.55% during the Financial Year 2021-22.

Number of permanent employees on the role of the Company:

Staff:	796
Permanent Workers:	537

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:	37.00 %
Managerial Personnel :	10.00 %
Total =	**47.00 %**

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

5. Affirmation

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

For and on behalf of the Board

Mahendra Sanghvi
Executive Chairman
DIN : 00084162

Vadodara
30 May 2022

Annexure D

Secretarial Audit Report

For the Financial Year ended 31 March 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Members,
Shaily Engineering Plastics Ltd.
Survey No. 364/366, At & PO. Rania,
Taluka – Savli,
Vadodara – 391 780,
Gujarat, India.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Shaily Engineering Plastics Ltd.** ("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 authorised 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 31 March 2022 ("review period"), 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 review period, according to the provisions of:

i. The Companies Act, 2013 ("Act") and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 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 ("SEBI") Act, 1992: -

   a. SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   b. SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   c. SEBI (Buy-back of Securities) Regulations, 2018; However, there were no actions / events pursuant to these regulations, hence not applicable.

   d. SEBI (Share Based Employee Benefits) Regulations, 2014; However, there were no actions / events pursuant to these regulations, hence not applicable.

   e. SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; However, there were no actions / events pursuant to these regulations, hence not applicable.

   f. SEBI (Issue and Listing of Debt Securities) Regulations, 2008; However, there were no actions / events pursuant to these regulations, hence not applicable.

   g. SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013; However, there were no actions / events pursuant to these regulations, hence not applicable.

   h. SEBI (Prohibition of Insider Trading) Regulations, 2015;

Annexure D

i. SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;

j. SEBI (Delisting of Equity Shares) Regulations, 2009 / 2021; However, there were no actions / events pursuant to these regulations, hence not applicable.

k. SEBI (Depositories and Participants) Regulations, 2018;

l. SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021; However, there were no actions / events pursuant to these regulations, hence not applicable.

m. SEBI (Debenture Trustees) Regulations, 1993; However, there were no actions / events pursuant to these regulations, hence not applicable.

We have also examined compliance with the applicable clauses / regulations of the following: -

i. Secretarial Standards issued by The Institute of Company Secretaries of India; and

ii. Listing Agreements entered into by the Company with BSE Ltd. read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the review period, the Company has complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except that compliance under Regulations 23(9), 24A and 29(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was not made within stipulated time.

We further report that;

A. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the review period;

B. Adequate notice is generally 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;

C. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded;

D. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all the applicable Laws, Rules, Regulations and Guidelines;

E. During the review period, there were no specific instances / actions in the Company in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards etc. having major bearing on the Company's affairs; however, the Company has issued 8,55,072 equity shares of face value of ₹ 10/- each fully paid up at a price of ₹ 1,755/- per share (inclusive of premium of ₹ 1,745/- per share) through Preferential Issue.

S. Samdani
Partner

Samdani Shah & Kabra
Company Secretaries
FCS No. 3677; CP No. 2863
ICSI Peer Review # 1079/2021
ICSI UDIN: F003677D000430433

Place: Vadodara
Date: 30 May 2022

This Report is to be read with our letter of even date which is annexed as Appendix A and forms an integral part of this report.

Appendix A

The Members,
Shaily Engineering Plastics Ltd.
Survey No. 364/366, At & PO. Rania,
Taluka – Savli, Vadodara – 391 780,
Gujarat, India.

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

i. Maintenance of secretarial records and compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the management of the Company. Our examination was limited to the verification and audit of procedures and records on test basis. Our responsibility is to express an opinion on these secretarial records and compliances based on such verification and audit.

ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records and we believe that the processes and practices we followed provide a reasonable basis for our opinion.

iii. Wherever required, we have obtained the management representation about the Compliance of Laws, Rules and Regulations, happening of events, etc.

iv. 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 Company's affairs.

S. Samdani
Partner

Samdani Shah & Kabra
Company Secretaries
FCS No. 3677; CP No. 2863
ICSI Peer Review # 1079/2021
ICSI UDIN: F003677D000430433

Place: Vadodara
Date: 30 May 2022

SHAILY Engineering Plastics Ltd

Annexure E

BUSINESS RESPONSIBILITY REPORT

In terms with Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Section A : General Information of the Company

1	Corporate Identity Number (CIN) of the Company	L51900GJ1980PLC065554
2	Name of the Company	Shaily Engineering Plastics Ltd.
3	Registered address	Survey No. 364/366, At. & Po. Rania - 391780, Ta. Savli, Dist. Vadodara, Gujarat, India
4	Website	www.shaily.com
5	E-mail id	secretarial@shaily.com
6	Financial Year reported	01 April 2021 to 31 March 2022
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	**Industrial Group** – **Description** 22209 – Manufacture of other plastic products n.e.c. 31003 – Manufacture of furniture primarily of metal *AS per National Industrial Classification (NIC) 2008*
8	List three key products/services that the Company manufactures/provides	Manufacture and sale of Injection Moulded Plastic Components for business viz., : Consumer Healthcare Automotive FMCG Personal Care
9	Total number of locations where business activity is undertaken by the Company	Seven manufacturing facilities at Rania and Halol, Vadodara, Gujarat. For details, please visit *www.shaily.com*
10	Markets served by the Company	In addition to the Indian Market, the Company exports to around 35 countries worldwide

Section B : Financial Details of the Company

1	Paid up Capital	₹ 9,17,35,020/-
2	Total Turnover	₹ 57,467.90 lacs *
3	Total profit after taxes	₹ 3,514.01 lacs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2% of net profit before tax of preceding three financial years. Refer Annexure - B of the Board's Report
5	List of activities in which expenditure in 4 above has been incurred:-	Refer Annexure – B of the Board's Report

**As per Standalone Financial Statements for F.Y. 2021-22*

Section C : Other Details

Does the Company have any Subsidiary Company/ Companies?	Yes. As on 31 March 2022, the Company has a wholly owned foreign subsidiary – Shaily (UK) Ltd. The details of the subsidiary is provided in the Board's report, which forms part of this Annual Report.
Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No.
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Yes. More than 60%

Annexure E

Section D : Business Responsibility Information

1. Details of Director/Directors responsible for Business Responsibility (BR)

a. Details of the Director/Directors responsible for implementation of the BR policy/policies

1	DIN Number	00022444
2	Name	Amit Sanghvi
3	Designation	Managing Director

b. Details of BR Head :

1	DIN Number (if applicable)	N.A.
2	Name	Kiran Pradhan
3	Designation	Manager – Human Resources
4	Telephone Number	91 2667 244307
5	Email id	*hr@shaily.com*

2. Principle wise (as per NVGs) BR Policy/Policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

Principle 1: Businesses should conduct and govern themselves with ethics, transparency and accountability.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 3: Businesses should promote the wellbeing of all employees.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

Principle 5: Businesses should respect and promote human rights.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle 8: Businesses should support inclusive growth and equitable development.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of Compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	[1]Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	No	No	No	No	No	No	No	No	No
6	[2]Indicate the link for the policy to be viewed online?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Annexure E

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8	Does the Company have in-house structure to implement the policy/policies.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) : The Company is in the process to form an internal formal committee to oversee the implementation of the BR policy. However, the Corporate Social Responsibility Committee and the Risk Management Committee of the Board of Directors of the Company overseas the matters relating to BR implementation of the Company. In addition to the same, the Company has in place internal committees as a part of Sustainability initiatives undertaken by the Company viz., Works committee, Environment, Health & Safety (EHS) Committee, Canteen Committee, POSH (Prevention of Sexual Harassment) Committee.

3. Governance related to BR

a	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Annual
b	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The first year of adoption of BR Report by the Company was FY 2020-21. The BR Report forms part of the Annual Report which is available at *https://www.shaily.com/investors/annual-report*

Section E : Principle wise Performance

Principle 1 : Ethics, Transparency and Accountability

1	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?	At Shaily, we have adopted the Code of Conduct for Board of Directors and Senior Managerial Personnel, in which the Company has laid down principles as per various applicable laws, rules and regulations. We have also formed and adopted Whistle Blower Policy for directors and employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct. Company has an internal policy relating to ethics, bribery and corruption. The policy extends to subsidiary, suppliers, sub-suppliers.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so	The term stakeholder includes our investors, suppliers, vendors, partners, government and local community. Shaily has not received any complaint in this regard from any of our business associates during the year. The Company has not received any investor complaints during the 2021-22.

Annexure E

Principle 2 : Product sustainability

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	We have been successful in converting products manufactured from virgin materials to both recycled plastics and bioplastics under our Home Furnishing business vertical.
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year? thereof, in about 50 words or so	We have implemented and installed energy efficient instruments and processes across the plants resulting into conservation of energy and water. Some of the initiative includes installation of OLTC Based Transformers, installation of Softner plant for cooling tower & AHU, Installation of VFD type air compressors, chiller line insulation and cooling tower automation, continuous cleaning and painting of pipelines & Valves for rust removal
3	Does the Company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	The Company has formulated an operating procedure to approve vendors. Materials are procured from approved vendors both, local and international. The quality assurance team of the Company conducts periodic audit of the vendors, especially those who supply key materials. The Company has longstanding business relations with regular vendors. The Company enters into annual freight contracts with leading transporters for movement of materials. The Company continues to receive sustained support from its vendors. The Company sourced approximately 22% of inputs sustainably in FY 2021-22
4	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Shaily has always in endeavour for upliftment of small scale entrepreneur and businesses. For all kind of administrative services we prefer to hire it from local and surrounding communities where we are working.
5	Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	Shaily manufactures injection moulded plastics components, which gives very less amount of wastage. Rejected material/stock is regrinded for further usage in final product as agreed with customer. We have adopted environment friendly procedures for disposal of waste that has been generated. All waste is disposed of by approved biological waste management agencies. We recycle around 5-10% of the rejected stock.

Principle 3 : Employees Wellbeing

1	Please indicate the Total number of employees	Total = 2754 (FY 2021-22 Average Per Day) Staff (Including FTS)=709 On Roll Workers=570 Contract Workers=1475
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis	1457

Annexure E

3	Please indicate the Number of permanent women employees	Total = 74 (FY 2021-22 Average Per Day) Staff (Including FTS)=33 On Roll Workers=41
4	Please indicate the Number of permanent employees with disabilities	1
5	Do you have an employee association that is recognised by management	No
6	What percentage of your permanent employees is members of this recognised employee association?	Nil (Works committee has been formed)
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	The Company has adopted an Anti-Sexual Harassment Policy. Our Anti Sexual Harassment Policy covers complaints against any sexual harassment and complain for any discrimination. The details of concerns or complaints received by the Company is as below :

Category	No. of Complaints filed during the financial year	No. of complaints pending as on the end of the financial year
Child labour/ forced labour/ involuntary labour	0	0
Sexual harassment	0	0
Discriminatory employment	0	0

8	What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year? (a) Permanent Employees (b) Permanent Women Employees (c) Casual/Temporary/Contractual Employees (d) Employees with Disabilities	We cover almost all employees in the safety training which is being given at the time of joining and at regular basis from time to time. Apart from this at regular intervals we are arranging skills development programs in which all categories of employees have been included. The details of training imparted during last financial year is as below:

Category	No. of Employees	Training Imparted
Permanent Male Employees	1204	100%
Permanent Women Employees	74	100%
Casual/Temporary/ Contractual Employees	1475	100%
Employees with Disabilities	1	100%

Principle 4 : Stakeholders Engagement

1	Has the Company mapped its internal and external stakeholders? Yes/No	Yes
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders.	No
3	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so	Initiatives undertaken by the Company in the context are detailed in the CSR Report of the Company, annexed at Annexure – B of the Board's Report, which forms part of this Annual Report.

Annexure E

Principle 5 : Human Rights

1	Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?	We, at Shaily, have formed Anti-Sexual Harassment Policy which protects human rights of our employees. The policy also covers subsidiary, suppliers, sub-suppliers of the Company.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	During the FY 2021-22, the Company has not received any such complaint.

Principle 6 : Environment

1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others	We are engaged in manufacturing and marketing of injection moulded plastics components for various sectors viz., Healthcare, Consumer, FMCG, Automotive, Personal Care. As far as our own manufacturing facility is concerned, we have adopted industry best manufacturing practices for the protection of environment and all necessary approvals have been taken by us. The policy also covers suppliers/sub-suppliers of the Company. Company conducts periodical audits of suppliers/sub-suppliers to oversee their conformance and implementation of the policy.
2	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.	Yes. There are programs in place to address global warming such as use of renewal energies, efforts to minimise use of energy. Some major initiatives taken in this direction are mentioned in Annexure A to the Board's Report. *https://www.shaily.com/investors/annual-report*
3	Does the Company identify and assess potential environmental risks? Y/N	Yes
4	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No
5	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	The Company has taken various initiatives on conservation of energy and technology absorption as mentioned in Annexure A to the Board's Report. *https://www.shaily.com/investors/annual-report*
6	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes
7	Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil

Annexure E

Principle 7 : Advocacy

1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	The Company is a member of various bodies and Chamber of Association inter alia :- (a) Federation of Gujarat Industries (b) Confederation of Indian Industry (c) The Plastics Export Promotion Council (PLEX Council) (d) Organisation of Plastics Processors of India (e) PlastIndia Foundation Mr. Mahendra Sanghvi, Executive Chairman of the Company presently ; - Serves as a President at the Organisation of Plastics Processors of India and - Serves on the Management Committee of PlastIndia Foundation.
1	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes. The Company has advocated on various areas concerning economic reforms, best practices, new standards or regulatory development pertaining to pharmaceutical industry through the associations, from time to time.

Principle 8 : Community Development

1	Does the Company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	At Shaily, we believe that Health, Education, Water, Livelihood, Vocational training, Cleanliness are some of our key priorities in the area of Corporate Social Responsibility (CSR). We strive to make good health accessible to the local communities and society at large. We strive to promote education and vocational education by donating to trust which aims at empowering women.
2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organisation?	Presently, Shaily undertakes CSR activities through in-house team.
3	Have you done any impact assessment of your initiative?	The CSR committee of the Company conducts evaluation of the CSR activities carried out by the Company during each financial year.
4	What is your company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken.	Please refer Annexure - B to the Board's Report
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	The Company conducts impact assessment of its CSR initiatives through feedbacks collected from the beneficiaries of projects undertaken. We believe that our initiatives has genuinely covered and benefitted large number of beneficiaries.

Annexure E

Principle 9 : Customer Value

1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	Nil
2	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks(additional information)	The Company follows all legal statues with respect to product labelling and displaying of product information as enumerated and required by the customers of the Company.
3	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No.
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	Not applicable. The Company operates into contract manufacturing and conducts B2B business. Hence, company is not required to carry out consumer surveys/satisfaction trends.

On behalf of the Board of Directors
For Shaily Engineering Plastics Ltd.

Mahendra Sanghvi
Executive Chairman
DIN: 00084162

Vadodara,
30 May 2022.

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 organisation'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 organisation 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 recognised that an effective Board of Directors is a pre-requisite for strong and effective corporate governance. Our Board and Committees thereof are formed as per the prevailing regulatory requirements, which oversees how the Management serves and protects the long-term interests of all our stakeholders.

Corporate Governance is more than a set of processes and compliances at Shaily. It underlines the role that we see for ourselves for today, tomorrow and beyond. The Company has laid out 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 organisational 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 Board of Directors consists of four (4) Executive Directors from the Promoter Group and four (4) Independent Directors. Out of the Four (4) Independent Directors, one is a Woman Independent Director. As on 31 March 2022 and on the date of this report, the Board meets the requirement of having at least one Woman Independent Director and not less than 50% of the Board strength comprises of 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 Core Management Team and Senior Executives having rich experience and expertise in their respective fields.
- Pursuant to the provisions of Section 165(1) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter shall be referred as SEBI Listing Regulations, 2015) none of the Directors hold directorships in more than 20 companies (public or private), 10 public companies, membership of Audit & Stakeholder Relationship Committee(s) in excess of 10 and Chairmanship of Audit & Stakeholders Relationship Committee(s) in excess of 5. None of the Directors serve as Director / Independent Director in more than 7 Listed Companies. None of the Directors who serves as a Whole Time Director/Managing Director in any listed entity serve as an Independent Director in more than three listed Companies.
- The Board of Directors, upon recommendation of the Nomination and Remuneration Committee, have appointed Mr. Samaresh Parida (DIN : 01853823) and Mrs. Sangeeta Singh (DIN : 06920906) as Independent Directors of the Company, effective from 30 May 2022, subject to approval of the shareholders. Brief Profile of the above-named Directors forms part to the Notice of 42nd Annual General Meeting.

Report on Corporate Governance

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

Seven (7) Board Meetings were held during the year ended 31 March 2022 as under:

Sr. No.	Date	Time (IST)
1	29 May 2021	03:30 p.m.
2	10 July 2021	11:00 a.m.
3	14 August 2021	02:00 p.m.
4	17 August 2021	11:00 a.m.
5	23 September 2021	04:30 p.m.
6	30 October 2021	12:30 p.m.
7	29 January 2022	01:10 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. Due to the persistent pandemic situation and following relaxations given by the Securities Exchange Board of India and the Ministry of Corporate Affairs, the meetings were held through Video Conference hosted from the registered office of the Company in due compliance with applicable Secretarial Standards.

Details of composition and category of Directors, attendance at the Board Meetings, Annual General Meeting, Membership – Chairmanship in committees and shareholding of each director:

Name of Director	Category	No. of Directorship(s) [Note a]	No. of Membership in committees (Chairmanship)	Attendance in Board Meetings held in 2021-22	Attendance at last AGM	No. of Equity Shares held in the Company as on 31 March 2022
		As on 31 March 2022				
Mr. Mahendra Sanghvi Executive Chairman	Promoter Executive	6	3(including 1 as Chairman)	7/7	Yes	1,036,335
Mr. Laxman Sanghvi Executive Director	Promoter Executive	2	0	7/7	Yes	476,424
Ms. Tilottama Sanghvi Whole-Time Director	Promoter Executive	1	0	4/7	Yes	1,287,715
Mr. Amit Sanghvi Managing Director	Promoter Group - Executive	1	1	7/7	Yes	60,658
Mr. Milin Mehta	NED (Independent)	10	5(including 4 as Chairman)	7/7	Yes	Nil
Mr. Ranjit Singh	NED (Independent)	7	3(including 1 as Chairman)	7/7	Yes	Nil
Dr. Shailesh Ayyangar	NED (Independent)	5	1	7/7	Yes	Nil
Ms. Varsha Purandare (till 29 April 2022)	NED (Independent)	8	6(including 4 as Chairperson)	7/7	Yes	Nil

Notes :

(a) *Number of directorship Includes directorship in other companies. Does not include directorships in foreign companies.*

(b) *Membership/Chairmanship are considered only for Audit Committee and Stakeholders Relationship Committee pursuant to Regulation 26 of the SEBI Listing Regulations, 2015.*

(c) *NED refers to Non-Executive Director.*

(d) *The Company has not issued any convertible instruments.*

(e) *The number of Directorship(s), Committee Membership(s)/Chairmanship(s) of all the Directors is/are within the respective limits prescribed under the Companies Act, 2013 and the SEBI Listing Regulations, 2015.*

Report on Corporate Governance

Details of directorship in other listed entities of each Director as on 31 March 2022

Name of Director	Category	Name of other listed Companies where Directorship held	Category of Directorship held
Mr. Mahendra Sanghvi Executive Chairman	Promoter Executive	Munjal Auto Industries Ltd	Independent Director
		Integra Engineering Ltd	Independent Director
Mr. Laxman Sanghvi Executive Director	Promoter Executive	No Directorship in other listed entities	Not Applicable
Ms. Tilottama Sanghvi Whole-Time Director	Promoter Executive	No Directorship in other listed entities	Not Applicable
Mr. Amit Sanghvi Managing Director	Promoter Group - Executive	No Directorship in other listed entities	Not Applicable
Mr. Milin Mehta	NED (Independent)	VA Tech WABAG Ltd.	Independent Director
		5Paisa Capital Ltd.	Independent Director
Mr. Ranjit Singh	NED (Independent)	Polyplex Corporation Ltd.	Independent Director
		VA Tech WABAG Ltd.	Independent Director
Dr. Shailesh Ayyangar	NED (Independent)	No Directorship in other listed entities	Not Applicable
Ms. Varsha Purandare (till 29 April 2022)	NED (Independent)	Orient Cement Ltd.	Independent Director
		The Federal Bank Ltd.	Independent Director
		Deepak Fertilisers and Petrochemicals Corporation Ltd.	Independent Director

Key Board qualifications, expertise and attributes

SEPL's Board of Directors comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Company's Board comprises of eight directors which has right blend of deep understanding of various areas of SEPL business, manufacturing process. The board has right combination of Directors on board with impeccable business acumen, strategy and project management experience.

The skill sets identified by the Board in the context of the Company's business and sector in which it operates alongwith its availability assessment collectively for the Board and individually for each Director are as under :

Key Board Qualification	Board Members							
	Mahendra Sanghvi	Laxman Sanghvi	Tilottama Sanghvi	Amit Sanghvi	Milin Mehta	Ranjit Singh	Shailesh Ayyangar	Varsha Purandare
	Executive Chairman	Executive Director	Whole Time Director	Managing Director	Independent Director	Independent Director	Independent Director	Independent Director (until 29 April 2022)
Technical prowess in Plastics Engineering with specialised expertise in Plastics Moulding technology	✓	✓	✓	✓	-	✓	-	-
Deep understanding of various facets of raw materials required for best quality of plastics	✓	✓	✓	✓	-	✓	-	-
Financial Acumen	✓	✓	✓	✓	✓	✓	✓	✓
Healthcare Industry knowhow	✓	-	-	✓	✓	-	✓	✓
Strategic Planning	✓	✓	✓	✓	✓	✓	✓	✓

Report on Corporate Governance

Key Board Qualification	Board Members							
	Mahendra Sanghvi	Laxman Sanghvi	Tilottama Sanghvi	Amit Sanghvi	Milin Mehta	Ranjit Singh	Shailesh Ayyangar	Varsha Purandare
	Executive Chairman	Executive Director	Whole Time Director	Managing Director	Independent Director	Independent Director	Independent Director	Independent Director (until 29 April 2022)
Visionary Leadership	✓	✓	✓	✓	✓	✓	✓	✓
Industry Experience, Research & Development and Innovation	✓	✓	✓	✓	-	✓	✓	✓
Global Business/ International Exposure	✓	✓	✓	✓	-	✓	✓	✓
Financial, Regulatory, Legal & Risk Management	✓	✓	✓	✓	✓	✓	✓	✓
Policy Development	✓	✓	✓	✓	✓	✓	✓	✓
Marketing	✓	-	-	✓	-	✓	✓	✓
Integrity and ethical standards	✓	✓	✓	✓	✓	✓	✓	✓
Interpersonal Relationships	✓	✓	✓	✓	✓	✓	✓	✓
Creative and Logical Approach	✓	✓	✓	✓	✓	✓	✓	✓
Strong Client Relationship	✓	✓	✓	✓	NA	NA	NA	NA
Understanding of multi-faceted business operations	✓	✓	✓	✓	✓	✓	✓	✓

c. Confirmation with regards to Independent Directors

In the opinion of the Board, the Independent Directors fulfil the conditions specified in the SEBI Listing Regulations 2015 and are independent of the management.

d. Resignation of Independent Directors, if any.

There has been no event of resignation of Independent Director during the financial year 2021-22. However, Ms. Varsha Purandare has resigned from the office of Independent Director of the Company, effective from 29 April 2022 due to personal reasons. It is confirmed by Ms. Varsha Purandare that there are no other material reasons than the reason mentioned in her resignation letter. Letter of resignation is submitted with the Stock Exchanges for information of the members and public at large and available on the website of the Company at https://www.shaily.com/investors

During the year, none of the Independent Directors have placed their resignation before the expiry of their tenure.

e. 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.

Report on Corporate Governance

f. Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/ profession, who can effectively contribute to the Company's business and policy decisions are considered by the Nomination & Remuneration Committee, for appointment as an Independent Director on the Board.

The Nomination & Remuneration Committee interalia considers qualification, positive attributes, area of expertise and number of Directorship(s) and membership(s) held in various committees by such person(s). The Board considers the Committee's recommendation and takes appropriate decision.

g. Familiarisation programme for Independent Directors

Guided by the principles of Corporate Governance of the prevailing regulatory regime, the Company conducts familiarisation programme for Independent Directors from time to time in accordance with business & regulatory requirements. The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

Periodic presentations are made at the Board and Committee meetings on the business and performance updates of the Company including Finance, sales, ongoing projects, investor activities, regulatory compliances. Detailed presentations on company's business development activities are made at the Board meetings to keep the Directors abreast of the forthcoming business activities of the Company. Facility visits are arranged for the Directors to have a close view of the operations.

Quarterly updates on relevant statutory, regulatory changes and landmark judicial pronouncements encompassing important laws are circulated to the Directors. Visits to plant locations are organised for the Independent Directors to enable them to understand and get acquainted with the operations of the Company. During the current year, due to the ongoing pandemic situation there has been one physical plant visit. The Board is regularly facilitated with videos and presentation of the facilities to keep them updated of the various construction activities around all facilities.

The details of such familiarisation programmes for the Independent Directors are available on the website of the Company at *https://www.shaily.com/investors/corporate-governance*

h. 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, the Chief Financial Officer and the Chief Strategy Officer, briefs the Board on the financial and business performance of the Company during the previous quarter and trend analysis as compared to the budgets, operational performance and market scenario.

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

i. 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 2021-22 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 *https://shaily.com/investors/corporate-governance* at weblink *https://s3.ap-south-1.amazonaws.com/shaily/5Z8xSp8qRIG3RhQOXxNG-code-of-conduct-pdf.*

Report on Corporate Governance

j. Committee meetings

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

Audit Committee

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

a. Composition of Audit Committee

The Audit Committee comprises of four (4) Independent Directors viz., Mr. Milin Mehta, Mr. Ranjit Singh, Dr. Shailesh Ayyangar and Ms. Varsha Purandare.

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

Ms. Varsha Purandare was a member of the Audit Committee till 29 April 2022.

Post resignation of Ms. Varsha Purandare, the Audit Committee was re-constituted effective from 30 May 2022 as under :

Name of Director	Acting in committee as	Category
Mr. Milin Mehta	Chairman	Independent Director
Mr. Samaresh Parida	Member	Independent Director
Mr. Ranjit Singh	Member	Independent Director
Dr. Shailesh Ayyangar	Member	Independent Director

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 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 standalone and consolidated financial results before their submission and adoption by the board, internal control systems, Related Party Transactions and all other matters covered under SEBI Listing Regulations, 2015 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

There were four (4) Audit Committee meetings held during the financial year 2021-22, of which three were held through virtual mode and one was held through physical mode at the registered office of the Company.

Sr. No.	Date of Audit Committee Meetings
1	29 May 2021
2	14 August 2021
3	30 October 2021
4	29 January 2022

Report on Corporate Governance

Name	Number of Meetings held during 2021-22	
	Held	Attended
Mr. Milin Mehta (Chairman)	4	4
Mr. Ranjit Singh	4	4
Dr. Shailesh Ayyangar	4	4
Ms. Varsha Purandare	4	4

Mr. Milin Mehta, Chairman of the Audit Committee attended the 41st Annual General Meeting held on 14 September 2021.

The Statutory Auditors, Internal Auditors, Secretarial Auditors, Chief Financial Officer, Chief Strategy 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

Composition of the Nomination & Remuneration Committee of the Company is in line with the provisions of Regulation 19 of the SEBI Listing Regulations, 2015 and section 178 of the Companies Act, 2013.

Constitution of Nomination & Remuneration Committee is as under :

Name of Director	Acting in committee as	Category
Dr. Shailesh Ayyangar	Chairman	Independent Director
Mr. Ranjit Singh	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 of Directors, KMP & Senior Management Personnel, identifying persons and to recommend/review remuneration of all the Directors, Key Managerial Personnel (KMP) and Senior Management Personnel.

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

The Nomination & Remuneration Committee met twice during the financial year 2021-22, through virtual mode.

Sr. No.	Date of NRC meetings
1	29 May 2021
2	29 January 2022

Name	Number of Meetings held during 2021-22	
	Held	Attended
Dr. Shailesh Ayyangar (Chairman)	2	2
Mr. Ranjit Singh	2	2
Mr. Milin Mehta	2	2
Mr. Mahendra Sanghvi	2	2

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

Dr. Shailesh Ayyangar, Chairman of the Nomination & Remuneration Committee attended the 41st Annual General Meeting held on 14 September 2021.

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.

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, when so required.

The non-executive directors of the Company 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 *https://shaily.com/investors/corporate-governance* at weblink *https://s3.ap-south-1.amazonaws.com/shaily/NVmusaHvSkCkSxPngRsT-sepl-nomination-remuneration-policy-pdf*.

Risk Management Committee (RMC)

a. Composition of Risk Management Committee

Composition of the Risk Management Committee of the Company is in line with the provisions of Regulation 21 of the SEBI Listing Regulations, 2015.

In terms of the requirement under Regulation 21 of the SEBI Listing Regulations, 2015, the Risk Management Committee was constituted effective from 17 August 2021, as under :

Name of Director	Acting in committee as	Category
Dr. Shailesh Ayyangar	Chairman	Independent Director
Mr. Ranjit Singh	Member	Independent Director
Ms. Varsha Purandare (Uptil 29 April 2022)	Member	Independent Director
Mr. Mahendra Sanghvi	Member	Executive Chairman
Ms. Tilottama Sanghvi	Member	Whole Time Director

Report on Corporate Governance

Ms. Varsha Purandare tendered her resignation from the office of Independent Director, effective from 29 April 2022.

b. Terms of Reference:

The terms of reference of the Risk Management Committee covers the matters specified for Risk Management Committee under the SEBI Listing Regulations, 2015.

c. Meetings of Risk Management Committee and Attendance of Members

The Risk Management Committee met once during the financial year 2021-22 at the registered office of the Company on 30 October 2021.

Name	Number of Meetings held during 2021-22	
	Held	Attended
Dr. Shailesh Ayyangar (Chairman)	1	1
Mr. Ranjit Singh	1	1
Mr. Milin Mehta	1	1
Ms. Varsha Purandare	1	0
Mr. Mahendra Sanghvi	1	1
Ms. Tilottama Sanghvi	1	0

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

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 2021-22 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	109.81	1.32	14.95	0	126.08
Mr. Laxman Sanghvi Executive Director	63.14	1.02	8.59	0	72.75
Ms. Tilottama Sanghvi Whole - Time Director	54.90	3.52	5.77	0	64.19
Mr. Amit Sanghvi Managing Director	112.36	6.44	14.95	0	133.74
Total	**340.20**	**12.30**	**44.26**	**0**	**396.77**

(a) Sitting fees are not paid to Executive Directors.

(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.

(c) The Executive Directors are not paid any performance linked incentives or commission. The remuneration is paid, as approved by the members, where required.

Report on Corporate Governance

(d) Company's contribution to funds includes contribution to superannuation fund.

b. Non - Executive Directors [NED]

The Non-Executive Directors are paid ₹ 75,000/- as sitting fees for attending Board Meeting(s); ₹ 37,500/- for attending Audit Committee meeting(s) and ₹ 25,000/- for other Committee Meeting(s). The Non-Executive Directors are also paid re-imbursement of out-of-pocket expenses, if any, incurred for attending meetings of the Board of Directors and Committees thereof. No commission/ share of profit is paid to the Non-Executive Directors.

None of the Non-Executive Independent Director(s) have any pecuniary relationship or transactions with the Company and/or its associates except Mr. Milin Mehta, where the Company has paid a total of ₹ 9,77,067/- to M/s K.C. Mehta & Co., Chartered Accountants, as fees for professional services rendered by the firm to the Company as Goods & Service Tax (GST) consultants of the Company. Mr. Milin Mehta is a partner in the said firm. The Board does not consider the firm's association with the Company to be of a material nature so as to affect independence of judgment of Mr. Milin Mehta, as an Independent Director of the Company.

Sitting Fees paid to NED during 2021-22 :

(₹)

Name of Director	Sitting fees
Mr. Milin Mehta	7,50,000
Mr. Ranjit Singh	7,75,000
Dr. Shailesh Ayyangar	7,50,000
Ms. Varsha Purandare	7,25,000
Total	**30,00,000**

Stakeholders' Relationship Committee

a. Composition of Stakeholders' Relationship Committee (SRC)

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

Constitution of Stakeholders' Relationship Committee is as under :

Name of Director	Acting in committee as	Category
Ms. Varsha Purandare (uptil 29 April 2022)	Chairperson	Independent Director
Mr. Milin Mehta	Member	Independent Director
Mr. Amit Sanghvi	Member	Managing Director

Ms. Varsha Purandare tendered her resignation from the office of Independent Director of the Company, effective from 29 April 2022.

Post her resignation, the Stakeholders Relationship Committee was re-constituted, effective from 30 May 2022 as under:

Name of Director	Acting in committee as	Category
Ms. Sangeeta Singh	Chairperson	Independent Director
Mr. Milin Mehta	Member	Independent Director
Mr. Amit Sanghvi	Member	Managing Director

Report on Corporate Governance

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

b. Meetings of SRC & Attendance

There was one meeting of the Stakeholders' Relationship Committee held during 2021-22 on 29 May 2021. All the members attended the meeting.

Ms. Varsha Purandare , Chairperson of SRC attended the 41st Annual General Meeting of the Company held on 14 September 2021.

c. Compliance Officer

Ms. Preeti Sheth, Asst. Company Secretary is the Compliance Officer of the Company and looks after the compliance of requirements of Securities & Corporate Laws.

d. Investor grievance redressal

There were no complaints received from the shareholders during the financial year 2021-22.

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.

Composition of CSR committee :

Name of Director	Acting in committee as	Category
Mr. Ranjit Singh	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 2021-22 on 29 May 2021. Mr. Ranjit Singh and Mr. Laxman Sanghvi attended the meeting. Leave of Absence was granted to Ms. Tilottama Sanghvi for the meeting.

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General Body Meetings & Postal Ballot

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

Financial Year	Location	Date	Time	No. of Special Resolutions passed	Title of Special Resolutions passed
2018-19	Survey No. 364/366, At. & Po. Rania, Tal. Savli, Dist. Vadodara - 391 780, Gujarat	8 August 2019	04:00 p.m. IST	5	1. Re-Appointment of Mr. Mahendra Sanghvi as an Executive Chairman for a period of 3 years effective from 1 April 2019 to 31 March 2022. 2. Re-Appointment of Mr. Laxman Sanghvi as an Executive Director for a period of 3 years effective from 1 April 2019 to 31 March 2022. 3. Re-appointment of Mr. Milin Mehta as a Non-Executive Independent Director for a second term of five years effective from 8 November 2019 to 7 November 2024. 4. Re-appointment of Mr. Sarup Chowdhary as a Non-Executive Independent Director for a second term of one year till conclusion of 40th AGM of the Company. 5. Approval of Shaily Employee Stock Option Plan 2019.
2019-20	Video Conferencing/ Other Audio-Visual means hosted from the registered office of the Company located at Survey No. 364/366, At. & Po. Rania, Tal. Savli, Dist. Vadodara - 391 780, Gujarat	26 September 2020	11:00 a.m. IST	2	1. Re-Appointment of Mr. Amit Sanghvi as a Managing Director for a period of 3 years effective from 1 October 2020 to 30 September 2023. 2. Appointment of Ms. Tilottama Sanghvi as a Whole Time Director for a period of 3 years effective from 1 February 2020 to 31 January 2023.
2020-21	Video Conferencing/Other Audio Visual means hosted from the registered office of the Company located at Survey No. 364/366, At. & Po. Rania, Tal. Savli, Dist. Vadodara - 391 780, Gujarat	14 September 2021	11:30 a.m. IST	4	1. Revision in borrowing limits of the Company under Section 180(1)(a) of the Companies Act, 2013. 2. Revision in borrowing limits of the Company under Section 180(1)(c) of the Companies Act, 2013. 3. To approve raising of funds in one or more tranches by issuance of securities by way of private offerings, qualified institutional placement(s) and/or any combination thereof or any other method as may be permitted under applicable law for an amount not exceeding ₹ 300 Cr 4. To approve the offer or invitation to subscribe to Equity shares by way of Preferential allotment on a private placement basis.

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Postal Ballot

During the financial year 2021-22, Postal Ballot activity was conducted by the Company for the below business items :

a. To approve appointment of Ms. Kinjal Bhavsar as an Executive Director on the Board of Shaily (UK) Ltd., Wholly Owned Subsidiary of the Company.

b. To approve re-appointment of Mr. Mahendra Sanghvi as an Executive Chairman effective from 1 April 2022 for a period of three years from 1 April 2022 to 31 March 2025 with revised remuneration.

c. To approve re-appointment of Mr. Laxman Sanghvi as an Executive Director effective from 1 April 2022 for a period of three years from 1 April 2022 to 31 March 2025 with revised remuneration.

Date of Notice: 29 January 2022

Postal Ballot Period: 18 February 2022 to 19 March 2022

Declaration of Voting Results: 21 March 2022

Summary of Voting Result :

Res. No	Resolutions proposed before the Members through Postal Ballot	Total Number of Votes Casted Remote E-Voting (18 February 2022 to 19 March 2022)			Result	
		In Favour	Against	Invalid	Type	Passed
1	To approve appointment of Ms. Kinjal Bhavsar as an Executive Director on the Board of Shaily (UK) Ltd., Wholly Owned Subsidiary of the Company	1,685,410	10,118	-	Ordinary	Yes
2	To consider re-appointment of Mr. Mahendra Sanghvi as an Executive Chairman effective from 1 April 2022 for a period of three years from 1 April 2022 to 31 March 2025 with revised remuneration	5,920,950	9,887	-	Special	Yes
3	To consider re-appointment of Mr. Laxman Sanghvi as an Executive Director effective from 1 April 2022 for a period of three years from 1 April 2022 to 31 March 2025 with revised remuneration	5,930,814	23	-	Special	Yes

Mr. S. Samdani, Partner of M/s Samdani Shah & Kabra, Company Secretaries, was appointed as Scrutiniser for conducting the postal ballot process in a fair and transparent manner.

The Company has followed the procedure prescribed for the conduct of Postal Ballot under the provisions of the Companies Act, 2013, rules made thereunder alongwith the Ministry of Corporate Affairs circulars read with the SEBI Listing Regulations, 2015.

Report on Corporate Governance

Means of Communication

Financial Results	**The financial results viz., quarterly/half yearly/annual are sent to the stock exchange and published in newspapers having nation-wide coverage.**
Newspapers wherein results are normally published	The Financial Results are normally published in : - The Business Standard (English) - Vadodara Samachar (Gujarati) - The Economic Times (English)
Website	The Company's website *www.shaily.com* contains a separate dedicated section "Investors" at *https://www.shaily.com/investors* where shareholders information is available. The full Annual Report is also available on the website in a user friendly and downloadable format at *https://www.shaily.com/investors/annual-report* Apart from this, official news releases, quarterly results/investors presentation made to analysts/ Institutional Investors, information of earnings call, transcript of earnings call, financial results, shareholding pattern, etc., are also displayed on the Company's website.
BSE Corporate Compliance & Listing Centre	BSE's Listing Centre is a web-based application designed for corporates. All periodical filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, amongst others filing are filed electronically on the Listing Centre, which disseminates it to the public at large.
NSE NEAPS and Digital Exchange Portal	SEPL is listed on the NSE effective from 4 April 2022. NSE's NEAPS and digital exchange portal is a web-based application designed for corporates. All periodical filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are filed electronically on the NEAPS and Digital Exchange Portal, which disseminates it to the public at large.

General Shareholder Information

S.#	Particulars	Description
a)	Annual General Meeting Date, Time & Venue	**Saturday, 27 August 2022** Through Video Conferencing /Other Audio-Visual Means. Details available in the Notice convening the 42nd Annual General Meeting of the Company.
b)	Financial Year	1 April 2021 to 31 March 2022
c)	Date of Book closure	Saturday, 20 August 2022 to Saturday 27 August 2022 (both days inclusive)
d)	Listing on Stock Exchange	BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, Maharashtra, India. National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Plot No. C/1, G Block Bandra Kurla Complex, Bandra (East) Mumbai – 400051 The Company is listed on the NSE effective from 4 April 2022. Requisite listing fees on BSE & NSE for 2021-22 has been paid.
e)	Stock Code	BSE Equity : 501423 NSE Equity : SHAILY

Report on Corporate Governance

S.#	Particulars	Description
f)	Market price data -high, low during each month in 2021-22	Please see "Annexure A"
g)	Share performance of the Company in comparison to BSE Sensex	Please see "Annexure B"
h)	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 2021-22.
i)	Registrar & Share Transfer Agent	**Bigshare Services Pvt. Ltd.** Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai 400093 Ph : +91 22 6263 8200 I Fax : +91 22 6263 8299 Web : www.bigshareonline.com I Email : investor@bigshareonline.com
j)	Share Transfer system	Effective 1 April 2019, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8 June 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) are not processed unless the securities are held in the dematerialised form with the depositories.
		The Stakeholders Relationship Committee has delegated powers to Registrar and Share Transfer Agents to effect transfer/transmission, name deletion, renewal of shares, dematerialisation, etc.
k)	Distribution of shareholding/Shareholding Pattern as on 31 March 2022	Detailed at "Annexure C" to this Report.
l)	Dematerialisation of shares and liquidity	Detailed at "Annexure D" to this Report
m)	Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity	Not applicable
n)	Commodity price risk or foreign exchange risk and hedging activities	Not applicable
o)	Plant Locations	***Rania/Finishing/EOU/Healthcare Plant:*** Survey 363, 364, 366, At. & Po. Rania, Tal., Savli, Dist. Vadodara - 391 780 , Gujarat ***Halol Plant :*** Plot No. 706/707/708, G.I.D.C., Halol - 389 350, Dist. Panchmahal, Gujarat. ***Halol – II Complex :*** Survey Nos. 208/1, 209/1p1. 209/2-5, 210/5p1, 212/5, 213/1-3, At. & Po. Chandrapura, Halol – 389 350, Dist. Panchmahal, Gujarat

Report on Corporate Governance

S.#	Particulars	Description
p)	Address for Correspondence/Investor Correspondence	**Company Secretary and Compliance Officer** **Shaily Engineering Plastics Ltd.** Survey 364/366, At. & Po. Rania, Tal. Savli, Dist. Vadodara - 391 780, Gujarat, India Ph : +91 2667 244307/244348/244361 I Fax : +91 2667 244372 Web : www.shaily.com I Email : investors@shaily.com **Bigshare Services Pvt. Ltd.** Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai 400093 Ph : +91 22 6263 8200 I Fax : +91 22 6263 8299 Web : www.bigshareonline.com I Email : investor@bigshareonline.com *Shareholders are advised to address query/request in respect of shares to the RTA. In addition, they may also correspond at the above address. It is further advised to quote their folio number, DP & Client ID number, as the case may be, in all correspondence with it.*
q)	Credit Rating	CARE continues to accord the ratings on the bank facilities of the Company as under : Long term facilities - CARE A-; Positive (Single A Minus; Outlook : Positive) Short term facilities - CARE A2+ (A Two Plus) On long term bank facilities of ₹ 261.54 Cr and short term bank facilities of ₹ 35.00 Cr The above ratings were re-affirmed by CARE during the year.

Other Disclosures

a. Related Party Transactions

During the year, no materially significant Related Party Transactions, that may have a potential conflict with the interest of the Company at large, have been entered into. However, the Company has obtained shareholders' approval through Postal Ballot for a Related Party Transactions, as required under the existing provisions.

The Board has approved a policy for related party transactions which can be viewed at *https://shaily.com/investors/corporate-governance* at weblink *https://s3.ap-south-1.amazonaws.com/shaily/GVaUqJvpT5GTnS1aapGH-rpt-policy-pdf*.

b. Compliance

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

However, there were delay in some statutory filings for which SOP fines were levied and the company has paid the same. The Annual Secretarial Compliance Report for 2021-22 contains details of such instances and payment of fines, which has been submitted to the Stock Exchanges and the same is available on the website of the Stock Exchanges at *www.bseindia*.com and *www.nseindia.com*.

c. Vigil Mechanism/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.

Report on Corporate Governance

The Whistle Blower Policy/Vigil Mechanism is placed on our at our website on *https://shaily.com/investors/corporate-governance* at weblink *https://s3.ap-south-1.amazonaws.com/shaily/NfQYzYSLQ0mYQEv1OyMv-vigil-mechanism-policy-pdf.*

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 Regulations, 2015 with regard to Corporate Governance.

Non-mandatory requirements:

a) **Office for non-executive Chairman at Company's expense :** Not Applicable as the Company has Executive Chairman.

b) **Modified opinion(s) in Audit Report :** There is no modified opinion in the Auditor's Report.

c) **Reporting of Internal Auditors directly to Audit Committee :** Internal Auditors directly reports to Audit Committee

e. Policy for determining 'material subsidiaries'

The Company has formed Policy for determining Material subsidiary(ies). The same is available on the website of the Company at *https://www.shaily.com/investors/corporate-governance* at weblink *https://s3.ap-south-1.amazonaws.com/shaily/OGWRMpJURrekBnfIVM70-policy-on-material-subsidiary-pdf*.

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. Details of utilisation of funds raised through preferential allotment/qualified institutions placement

The details of utilisation of funds raised through Private Placement through Preferential Issue is detailed in the Board's Report.

h. Independent Directors' Meeting

The Independent Directors met on 29 January 2022 to carry out the evaluation for the financial year 2021-22 and inter alia, discussed the following :

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

i. Fees paid to Statutory Auditors

The Company during the year paid an amount of ₹ 26.98 lacs to its Statutory Auditor M/s B S R & Associates, LLP, Chartered Accountants and all entities in the network firm/network entity of which statutory auditor is a part. The same is detailed under Note 26 of the financial statements for the year ended on 31 March 2022.

j. 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 financial year.

Report on Corporate Governance

k. Instances of not accepting any recommendation of the Committee by the Board :

There were no such instances where Board had not accepted any recommendation of any committee of the Board, whether mandatorily required or not, in the relevant financial year.

l. Loans and advances in the nature of loans to firms/companies in which directors are interested

The Company has not granted any amount of loans and advances in the nature of loans to firms/companies in which directors are interested.

m. 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:

The Company has complied with the requirements specified in Regulations 17 to 27 and Regulation 46(2)(b) to (i) of the SEBI Listing Regulations, 2015.

n. Certificate of Non-Disqualification from Company Secretary in Practice

Certificate from M/s Samdani Shah & Kabra , Company Secretaries, Vadodara, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI, Ministry of Corporate Affairs, or any such other Statutory Authority, as stipulated under Regulation 34(3) of the SEBI Listing Regulations, 2015, is attached to this Report.

Transfer of Unclaimed Dividend to IEPF :

Section 124 & 125 of the Companies Act, 2013 read with rules made thereunder, prescribe that dividends that remain unclaimed for a period of seven consecutive years or more, are statutorily required to be transferred to the Investor Education & Protection Fund (IEPF) administered by the Central Government, and thereafter the shareholders can claim their unpaid dividend from the IEPF.

Calendar for transfer of unclaimed dividend to IEPF :

Financial Year	Type of Dividend	Date of Declaration	Amount of Unpaid Dividend	Due for transfer to IEPF
2014-15	Final Dividend	8 August 2015	₹ 66,964/-	October 2022
2015-16	Final Dividend	2 August 2016	₹ 50,764/-	September 2023
2016-17	Final Dividend	9 September 2017	₹ 69,975/-	September 2024
2017-18	Final Dividend	13 August 2018	₹ 89,975/-	September, 2025

Members, who have not yet encashed their dividend warrant(s), are requested to make their claims without any delay to the Company's Registrar & Share Transfer Agent – Bigshare Services Pvt. Ltd. The Company has not declared any dividend after 2017-18.

Annexure - A

Market price data of the Company's shares traded on BSE Ltd. (BSE) during the financial year 2021-22

(₹)

Month	Open Price	High Price	Low Price	Close Price
Apr-21	1,007.00	1,395.00	925.30	1,276.05
May-21	1,301.60	1,326.00	1,050.00	1,208.35
Jun-21	1,288.00	1,750.00	1,215.00	1,610.00
Jul-21	1,625.00	1,759.00	1,525.10	1,696.55
Aug-21	1,696.55	1,858.00	1,660.00	1,773.00
Sep-21	1,760.00	2,044.00	1,722.00	1,969.30
Oct-21	2,029.80	2,041.00	1,704.00	1,830.00
Nov-21	1,820.00	1,999.00	1,650.00	1,800.25

Report on Corporate Governance

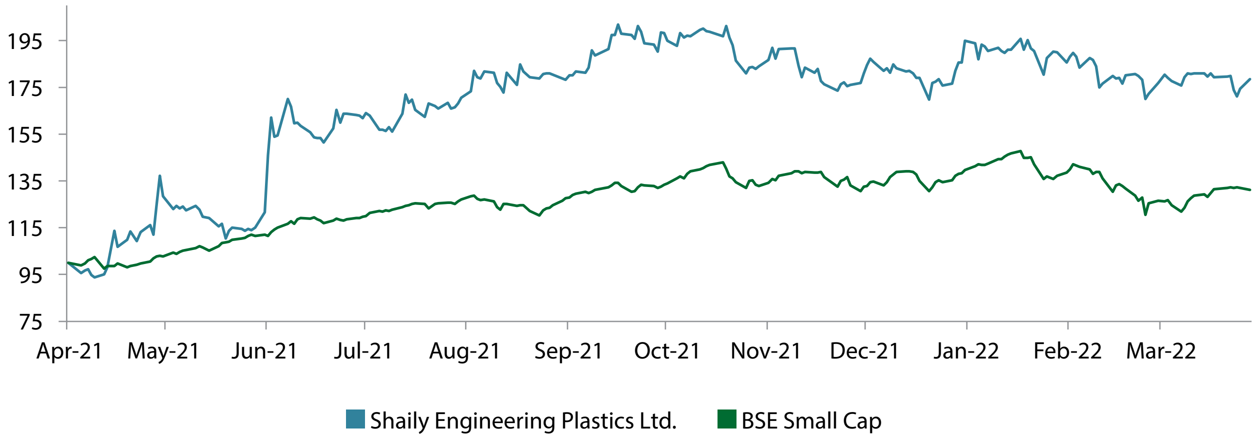
(₹)

Month	Open Price	High Price	Low Price	Close Price
Dec-21	1,800.00	1,950.00	1,602.00	1,938.05
Jan-22	1,930.00	1,984.95	1,705.00	1,845.15
Feb-22	1,887.90	1,908.00	1,630.00	1,757.30
Mar-22	1,757.35	2,205.00	1,675.00	2,175.15

* Information compiled from the data available at BSE website.

Annexure - B

Share performance of the Company in comparison to BSE Small Cap Index : *Chart indexed to 100



Annexure - C

Distribution of shareholdings as on 31 March 2022 is as under :

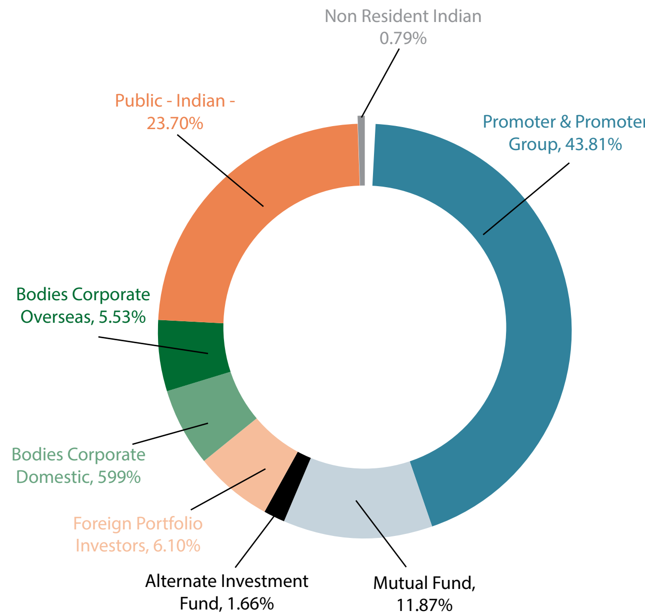
Nominal value of shareholding	Number of shareholders	% of total shareholders	Amount of shares	% of total shares
1-5000	4268	90.16	32,90,830	3.59
50001-10000	234	4.94	17,75,600	1.94
10001-20000	91	1.92	12,62,410	1.38
20001-30000	50	1.06	12,36,590	1.35
30001-40000	16	0.34	5,68,730	0.62
40001-50000	9	0.19	3,89,160	0.42
50001-100000	20	0.42	15,68,410	1.71
100001-999999999999999	46	0.97	8,16,43,290	89.00
Total	**4734**	**100.00**	**9,17,35,020**	**100.00**

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

Note : Number of shareholders are not clubbed based on PAN. Complied on reports of Registrar & Share Transfer Agents of the Company, M/s Bigshare Services Pvt.Ltd.

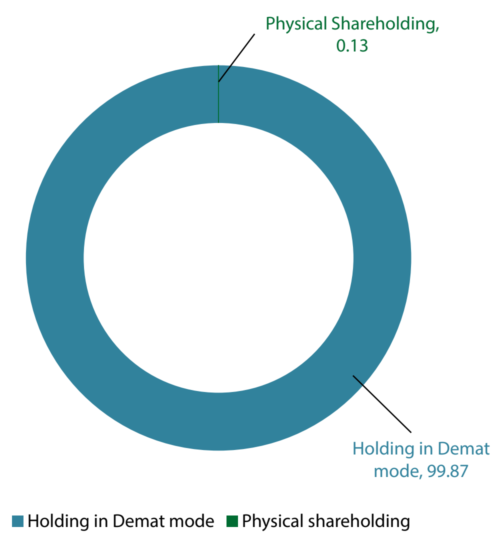
Report on Corporate Governance

Distribution of Shareholding



Shareholding as on 31 March 2022

Category	Number of Shares held	% of voting strength
Promoters & Promoter Group	4,018,551	43.81
Mutual Funds	1,089,172	11.87
Alternate Investment Fund	152,112	1.66
Foreign Portfolio Investors	559,718	6.10
Bodies Corporate - Domestic	549,162	5.99
Bodies Corporate - Overseas	507,198	5.53
Public - Indian	2,174,178	23.70
Non-Resident Indian	72,849	0.79
Others	50,562	0.55
Total	**91,73,502**	**100.00**



Annexure - D

Dematerialisation of shares and liquidity

Sr. No.	Status	Number of Shares	%
1	Holding in Demat mode	9161900	99.87
2	Physical shareholding	11602	0.13
	Total	**91,73,502**	**100.00**

* Previous year (i.e. as on 31 March 21) - Demat holding was 99.84%

For and on behalf on Board of Directors

Mahendra Sanghvi
Executive Chairman
DIN : 00084162

Vadodara
30 May 2022

Corporate Governance Compliance Certificate

(For the Financial Year ended 31 March 2022 pursuant to Schedule V – Part E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members

Shaily Engineering Plastics Ltd.

We have examined the compliance of the conditions of Corporate Governance by Shaily Engineering Plastics Ltd. ("Company") for the Financial Year ended 31 March 2022 ("review period"), as per the relevant provisions of Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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 Corporate Governance. It is neither an audit nor an expression of an opinion on the Financial Statements 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 except compliance under Regulations 23(9) and 24A was not made within time prescribed under Listing Regulations.

We state that in respect of investor grievances received during the review period, no such grievance is pending against the Company, as per the records maintained by the Company.

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.

S. Samdani
Partner

Samdani Shah & Kabra
Company Secretaries
FCS No. 3677; CP No. 2863
ICSI Peer Review # 1079/2021
ICSI UDIN: F003677D000430785

Place: Vadodara
Date: 30 May 2022

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) read with Schedule V Para C Clause 10 (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Members,

Shaily Engineering Plastics Ltd.

We have examined the Registers, Papers, Books, Records, Forms, Returns, Declarations, Disclosures and other related documents of Shaily Engineering Plastics Ltd. ("Company"), having CIN: L51900GJ1980PLC065554, situated at Survey No. 364/366, At & Po. Rania, Taluka Savli, Vadodara – 391 780, Gujarat, India, as produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company, its officers and representatives, we hereby certify that none of the Directors on the Board of the Company, as stated below for the Financial Year ended on 31 March 2022, have been debarred or disqualified from being appointed or continuing as Director of the Company by the SEBI, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Original Date of Appointment
1.	Mr. Amit Mahendra Sanghvi	00022444	1 October 2011
2.	Mr. Laxman Bhogilal Sanghvi	00022977	9 March 1995
3.	Mr. Mahendra Bhogilal Sanghvi	00084162	9 March 1995
4.	Mr. Milin Kaimas Mehta	01297508	8 November 2014
5.	Mr. Ranjit Singh	01651357	18 May 2019
6.	Mr. Shailesh Kripalu Ayyangar	00268076	29 May 2020
7.	Ms. Tilottama Mahendra Sanghvi	00190481	9 March 1995
8.	Ms. Varsha Vasant Purandare	05288076	29 May 2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

S. Samdani
Partner

Samdani Shah & Kabra
Company Secretaries
FCS No. 3677; CP No. 2863
ICSI Peer Review # 1079/2021
ICSI UDIN: F003677D000430785

Place: Vadodara
Date: 30 May 2022

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 at *www.shaily.com*. A declaration signed by the Managing Directors is given below :

"I, Amit Sanghvi, Managing Director of the Company 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 March 2022.

Amit Sanghvi
Managing Director
DIN: 00022444

Standalone and Consolidated Financial Statements

Independent Auditor's Report

To the Members of Shaily Engineering Plastics Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Shaily Engineering Plastics Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters

Description of Key Audit Matter

Revenue recognition

See Note 20 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
Revenue from the sale of goods and sale of service has been recognised when the control of the goods and service is transferred which is generally in accordance with the terms of sales and service contracts. We have identified the recognition of revenue as key audit matter because revenue is a key performance indicator of the Company, and therefore there is an inherent risk that revenue is overstated to meet financial expectations or targets. The company has various customers with different terms of trade which increase the risk of error in the timing of revenue recognition.	Our procedures included the following: • Obtain understanding of and assessing the design implementation and operating effectiveness of the Company's key internal financial controls in relation to revenue recognition • Inspecting customer contracts, on random sample basis to identify the terms and conditions relating to the transfer of control of the products sold and services provided and assessing the Company's timing of revenue recognition. • Identified significant terms and deliverables in contract to assess management's conclusion regarding the (i) identification of distinct performance obligation (ii) Allocating the transaction price to the performance obligation in the contract.

Independent Auditors' Report

The key audit matter	How the matter was addressed in our audit
	• Comparing on random sample basis revenue transaction recorded before the financial year end with relevant underlying documents including gate outward register and shipping documents to assess whether revenue from sale of goods has been recognised in the appropriate financial period and • Circulation of selected balance confirmation to customers on random sample basis and reconciling the differences if any on amounts confirmed by customer and amounts recorded by management.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified 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 of 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a

Independent Auditors' Report

basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
   - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
   - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
   - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

Independent Auditors' Report

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements.

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

c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022.

d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 44 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in Note 44 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The Company has neither declared nor paid any dividend during the year.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No : 116231W/W-100024

Jeyur Shah
Partner
Membership No: 045754
ICAI UDIN: 22045754AJXKIU8919

Place: Brisbane, Australia
Date: 30 May 2022

Annexure A to the Independent Auditor's Report on Standalone Financial Statements

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2022, we report the following:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year. For goods-in-transit, subsequent evidence of delivery has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:

Quarter	Name of bank	Particulars	Amount as per books of account (in Lakhs)	Amount as reported in the quarterly return/ statement (in Lakhs)	Amount of difference	Whether return/ statement subsequently rectified
June – 2021	State Bank of India, HDFC and Standard Chartered Bank	Other Current Assets	4,411	4,292	119	Yes
		Other Current Liabilities	2,677.67	2,301.00	376.67	
Sept – 2021		Other Current Assets	19,127.51	18,647.00	480.51	Yes
		Other Current Liabilities	4,285.23	2,683.00	1,602.23	
Dec – 2021		Other Current Assets	18,743.65	18,580.00	163.65	Yes
		Other Current Liabilities	2,710.90	2,577.00	133.90	

(iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee, security or advances in nature of loans, however they have made investments and granted loans, secured or unsecured to companies, limited liability partnership and other parties in respect of which the requisite information is as below:

Annexure A to the Independent Auditor's Report on Standalone Financial Statements

(A) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has made investments as below:

Name of the Company	Type of Investment	Amount in INR Lakhs
Shaily UK Limited	Equity Shares	203.62
Shaily UK Limited	Non-Convertible Preference Shares	204.97
Shaily UK Limited	Non-Convertible Preference Shares	503.61

(B) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans to employees as below:

Particulars	Aggregate amount during the year (₹ In lakhs)	Balance outstanding as at balance sheet date (₹ In lakhs)
Employee Loans	92.68	24.61

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the grant of loans to employees are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advances in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under section 185 and 186 of the Companies Act, 2013 ('the Act'). In respect of the investments made by the Company, the provisions of section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs and other statutory dues have generally been regularly deposited by the company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable, except as mentioned below:

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Due date	Date of payment
Provident Fund	Employees Provident Fund Act 1952	8.5 lakhs	31.3.2020	31.3.2020	Not paid

Pending clarity on the matter as explained in Note 34 to the Financial Statements, the Company is currently unable to determine the extent of arrears of provident fund for the period prior to April 2019.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or other statutory dues which have not been deposited on account of any dispute are as follows:

Sr. No.	Name of the Statute	Nature of Dues	Period to which it relates	Amount demanded (₹ in lakhs)	Forum where dispute is pending	Amount unpaid/ (₹ In Lakhs)
1	Central Excise Act, 1944	Excise Duty	2007-08 to 2009-10	52.27	The Hon' ble Supreme Court	52.27
2	Finance Act, 1994	Service Tax	2004-05 to 2016-17	41.95	Commissioner of Customs, Excise and Service Tax(Appeals)	41.59
3	Finance Act, 1994	Service Tax	2009-10 to 2012-13	7.22	Customs, Excise & Service Tax Appellate Tribunal	6.48
4	Finance Act, 1994	Service Tax	2007-08 to 2015-16	21.93	Additional Commissioner of Excise and Service Tax	20.06
5	The Income Tax Act, 1961	Income Tax	2007-08	2.46	Commissioner of Income Tax (Appeal)	2.46
6	The Income Tax Act, 1961	Income Tax	2017-18	0.08	Income Tax Appellate Tribunal	0.08
7	Gujarat Value Added Tax, 2003	VAT	1996-97	5.74	Commercial Tax Dept, Halol	5.74
8	Customs Act, 1962.	Custom Duty	2009-10 to 2017-18	97.84	Commissioner of Customs, (Appeals), Mumbai	-
9	Finance Act, 1994	Service Tax	2014-2017	185.74	Commissioner Appeals, CGST & Central Excise, Vadodara	167.17
10	Finance Act, 1994	Service Tax	2014-2016	8.18	Commissioner Appeals, CGST & Central Excise, Vadodara	8.18

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

Annexure A to the Independent Auditor's Report on Standalone Financial Statements

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act. The Company does not hold any investment in any associate companies or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiary as defined under the Act. The Company does not hold any investment in any associate companies or joint ventures as defined under the Act.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any private placement of shares or fully or partly convertible debentures during the year. In our opinion, in respect of preferential allotment of equity shares made during the year, the Company has duly complied with the requirements of section 42 and section 62 of the Act. The proceeds from issue of equity shares have been used for the purposes for which the funds were raised.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii)(a) to 3(xii)(c) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) & (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and clause 3(xvi)(b) of the Order is not applicable.

Annexure A to the Independent Auditor's Report on Standalone Financial Statements

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made & by the Reserve Bank of India.

(d) Accordingly, clause 3(xvi)(c) and clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No : 116231W/W-100024

Jeyur Shah
Partner
Membership No: 045754
ICAI UDIN: 22045754AJXKIU8919

Place: Brisbane, Australia
Date: 30 May 2022

Annexure B to the Independent Auditors' report on the standalone financial statements of Shaily Engineering Plastics Limited for the period ended 31 March 2022.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

Opinion

We have audited the internal financial controls with reference to financial statements of Shaily Engineering Plastics Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A Company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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

Annexure B to the Independent Auditors' report on the standalone financial statements of Shaily Engineering Plastics Limited for the period ended 31 March 2022.

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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to Standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No : 116231W/W-100024

Jeyur Shah
Partner
Membership No: 045754
ICAI UDIN: 22045754AJXKIU8919

Place: Brisbane, Australia
Date: 30 May 2022

Balance Sheet as at 31 March 2022

(in ₹ lacs)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
a) Property, plant and equipment	3	32,210.32	22,085.72
b) Capital work-in-progress	3A	1,612.07	2,305.49
c) Right-of-use asset	3B	160.25	-
d) Other intangible assets	4	491.40	598.19
e) Intangible assets under development	4A	1,250.19	731.27
f) Financial assets			
i. Investments	5	911.88	0.08
ii.Other financial assets	6	341.91	586.60
g) Income tax assets (net)		197.45	399.94
h) Other non-current assets	7	1,001.07	2,313.66
Total non-current assets		**38,176.54**	**29,020.95**
Current assets			
a) Inventories	8	11,142.53	6,686.86
b) Financial assets			
i. Trade receivables	9	9,986.19	6,953.43
ii. Cash and cash equivalents	10	3,135.49	98.25
iii. Bank balances other than cash and cash equivalents	11	1,191.15	193.37
iv. Loans	12	24.62	27.41
v. Other financial assets	6	479.92	485.13
c) Other current assets	7	3,425.20	3,238.88
Total current assets		**29,385.10**	**17,683.33**
TOTAL ASSETS		**67,561.64**	**46,704.28**
EQUITY AND LIABILITIES			
EQUITY			
a) Equity share capital	13(a)	917.35	831.84
b) Other equity	13(b)	35,781.67	17,354.71
TOTAL EQUITY		**36,699.02**	**18,186.55**
LIABILITIES			
Non-current liabilities			
a) Financial liabilities			
i. Borrowings	14	10,159.47	12,836.39
ii. Lease Liability	28	120.61	-
iii. Other financial liabilities	19	105.56	212.56
b) Provisions	16	182.16	157.23
c) Deferred tax liabilities (Net)	27(c)	1,321.59	1,027.47
d) Other non-current liabilities	17	172.98	34.50
Total non-current liabilities		**12,062.37**	**14,268.15**
Current liabilities			
a) Financial liabilities			
i. Borrowings	15	7,220.35	7,119.98
ii. Lease Liability	28	44.38	-
iii. Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	18	958.84	447.46
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	18	7,443.64	4,211.37
iv. Other financial liabilities	19	776.09	1,385.36
b) Other current liabilities	17	2,267.27	999.69
c) Provisions	16	89.68	85.72
Total current liabilities		**18,800.25**	**14,249.58**
TOTAL LIABILITIES		**30,862.62**	**28,517.73**
TOTAL EQUITY AND LIABILITIES		**67,561.64**	**46,704.28**
Notes forming part of the Financial Statements	**1-49**		

In terms of our report attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231 W/W-100024

Jeyur Shah
Partner
Membership No: 045754

Brisbane, Australia
30 May 2022

For and on Behalf of the Board of Directors

Shaily Engineering Plastics Limited
CIN : L51900GJ1980PLC065554

Mahendra Sanghvi	**Amit Sanghvi**	**Ashish Somani**	**Preeti Sheth**
Executive Chairman	Managing Director	Chief Financial Officer	Company Secretary
DIN: 00084162	DIN: 00022444		
Vadodara	London, United Kingdom	Vadodara	Vadodara
30 May 2022	30 May 2022	30 May 2022	30 May 2022

Statement of Profit & Loss for the year ended 31 March 2022

(in ₹ lacs)

Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	20	56,585.20	36,059.64
Other income	21	882.70	258.07
Total income		**57,467.90**	**36,317.71**
Expenses			
Cost of materials consumed	22(a)	37,845.53	22,714.26
Changes in inventories of finished goods and work-in-progress	22(b)	(2,154.62)	(1,188.44)
Power and fuel		2,692.17	1,793.76
Employee benefits expense	23	4,320.30	3,422.48
Finance costs	24	1,694.48	1,272.82
Depreciation and amortisation expense	25	2,649.43	1,952.60
Other expenses	26	5,779.85	3,361.88
Total expenses		**52,827.14**	**33,329.36**
Profit before tax		**4,640.76**	**2,988.35**
Income tax expense			
- Current tax	27	833.60	522.76
- Tax expense for earlier periods	27	9.77	-
- Deferred tax	27	283.38	263.51
Total tax expense		**1,126.75**	**786.27**
Profit for the year		**3,514.01**	**2,202.08**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		(20.96)	(24.93)
- Income tax relating to above		5.28	6.27
Items that will be reclassified to profit or loss			
- Effective portion of gains/(losses) on hedging instrument in cash flow hedges		63.64	86.80
- Income tax relating to above		(16.02)	(21.85)
Other Comprehensive Income net of income tax for the year		**31.94**	**46.29**
Total Comprehensive Income for the year		**3,545.95**	**2,248.37**
Earning per Equity Share (Face value of ₹ 10 each)			
Basic and Diluted	37	**39.80**	**26.47**
Notes forming part of the Financial Statements	1-46		

In terms of our report attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231 W/W-100024

Jeyur Shah
Partner
Membership No: 045754

Brisbane, Australia
30 May 2022

For and on Behalf of the Board of Directors

Shaily Engineering Plastics Limited
CIN : L51900GJ1980PLC065554

Mahendra Sanghvi
Executive Chairman
DIN: 00084162

Vadodara
30 May 2022

Amit Sanghvi
Managing Director
DIN: 00022444

London, United Kingdom
30 May 2022

Ashish Somani
Chief Financial Officer

Vadodara
30 May 2022

Preeti Sheth
Company Secretary

Vadodara
30 May 2022

Standalone Cash Flow Statement for the year ended 31 March 2022

(in ₹ lacs)

	Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
A	Cash flow from operating activities			
	Profit before tax		4,640.76	2,988.35
	Adjustments for:			
	Depreciation and amortisation expense	**3**	**2,649.43**	**1,952.60**
	Gain on sale of property, plant and equipment	21	(2.70)	(0.80)
	Interest income	21	(225.27)	(25.16)
	Interest component on account of Fair valuation of loan		(77.83)	-
	Provision of slow and non moving inventory	8	70.48	83.16
	Finance costs	24	1,694.48	1,272.82
	Allowance for expected credit losses	26	109.15	15.07
	Net unrealised exchange gain	21	(141.77)	(179.40)
	Provision for doubtful advances to supplier	26	87.46	-
	Operating profit before working capital changes		**8,804.19**	**6,106.64**
	Adjustments for:			
	Increase in trade receivables	9	(3,141.92)	(850.92)
	Increase in other receivables and advances	7	(240.66)	(622.87)
	Increase in inventories	8	(4,526.15)	(1,801.20)
	Decrease in other financial assets	6	166.77	594.53
	Increase/(decrease) in trade payables	**18**	**3,743.64**	**(534.73)**
	Increase/(decrease) in other liabilities and provisions	**17**	**1,431.52**	**(46.41)**
	Cash generated from operations		6,237.39	2,845.04
	Taxes paid (net of refunds)		(640.89)	(599.07)
	Net cash generated from operating activities		**5,596.50**	**2,245.97**
B	Cash flow from investing activities			
	Payment for purchases of property, plant and equipment (including capital advances and capital creditors)	3	(11,077.10)	(7,484.28)
	Payment for purchases of intangibles and Intangibles under development		(564.26)	(819.08)
	Proceeds from disposal of property, plant and equipment	3	6.50	2.53
	Payment for Investment in Subsidiary		(911.80)	-
	Interest received	21	155.07	21.69
	(Investment)/ Proceeds from fixed deposit	11	(997.78)	88.44
	Net cash flow (used in) investing activities		**(13,389.37)**	**(8,190.70)**
C	Cash flow from financing activities			
	Proceeds from long term borrowings		1,380.00	8,259.77
	Repayment of long term borrowings		(2,706.09)	(1,100.30)
	Repayment of working capital loans (net)		(1,181.30)	(568.08)
	Proceeds from issue of preferential share capital		14,966.51	-
	Repayment on lease liabilities		(49.10)	-
	Finance costs paid	24	(1,581.42)	(1,252.74)
	Net cash flow generated from financing activities		**10,828.60**	**5,338.65**

Standalone Cash Flow Statement for the year ended 31 March 2022

(in ₹ lacs)

Particulars			Note No.	Year ended 31 March 2022	Year ended 31 March 2021
D	**Net increase/(decrease) in cash and cash equivalents.**			3,035.73	(606.08)
	Cash & cash equivalents as at beginning of the year			98.25	702.33
	Impact of exchange loss			1.51	2.00
	Cash & cash equivalents as at end of the year			**3,135.49**	**98.25**
	Reconciliation of cash & cash equivalents as per financial statement :				
	Cash & cash equivalents comprise :				
	a)	Balances with banks			
		In current accounts		180.12	47.38
		In EEFC accounts		152.43	46.48
	b)	Cash on Hand		2.94	4.39
	c)	Deposits with bank (Original maturity less than 3 Months)		2,800.00	-
	Total			**3,135.49**	**98.25**

(i) 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

(ii) Change in Liabilities arising from Financing Activities:

Analysis of changes in net debt	As at 31 March 2021	Cash inflow/ (outflow)	Non - cash		As at 31 March 2022
			Fair value adjustments (including foreign exchange rate movements)	Others on account of debt issuance cost	
Current Borrowings (including Cash Credit/ Packing Credit)	4,487.17	(1,181.30)	-	-	3,305.87
Non-Current Borrowings (including current maturities of Non-Current Borrowings)	15,469.20	(1,326.09)	(46.75)	(22.40)	14,073.96
Net debt	19,956.37	(2,507.39)	(46.75)	(22.40)	17,379.83

Analysis of changes in net debt	As at 31 March 2020	Cash inflow/ (outflow)	Non - cash		As at 31 March 2021
			Fair value adjustments (including foreign exchange rate movements)	Others on account of debt issuance cost	
Current Borrowings (including Cash Credit/ Packing Credit)	5,055.24	(568.08)	-	-	4,487.16
Non-Current Borrowings (including current maturities of Non-Current Borrowings)	8,309.73	7,159.47	-	-	15,469.20
Net debt	13,364.97	6,591.39	-	-	19,956.36

(iii) Also refer note 10 for details of Cash and cash equivalents

In terms of our report attached

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Partner
Membership No: 045754

Brisbane, Australia
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Company Secretary

Vadodara
30 May 2022

Standalone Statement of Changes in Equity for the year ended 31 March 2022

Equity share capital

(in ₹ lacs)

Particulars	Amount
As at 31 March 2020	**831.84**
Changes in equity share capital	-
As at 31 March 2021	**831.84**
Changes in equity share capital	85.51
As at 31 March 2022	**917.35**

Other equity

(in ₹ lacs)

Particulars	Reserves and surplus					Total other equity
	Securities premium	General reserve	Capital reserve	Cash flow hedge reserve	Retained earning	
As at 1 April 2020	**3,207.51**	**191.58**	**92.91**	**(27.63)**	**11,641.97**	**15,106.34**
Profit for the year	-	-	-	-	2,202.08	2,202.08
Other comprehensive income/(Loss) (Net of tax)	**-**	**-**	**-**	**64.95**	**(18.66)**	**46.29**
Total comprehensive income for the year	-	-	-	64.95	2,183.42	2,248.37
Transactions with owners						
As at 31 March 2021	**3,207.51**	**191.58**	**92.91**	**37.32**	**13,825.39**	**17,354.71**
As at 1 April 2021	**3,207.51**	**191.58**	**92.91**	**37.32**	**13,825.39**	**17,354.72**
*Addition During the Year	14,881.01					14,881.01
Profit for the year	-	-	-	-	3,514.01	3,514.01
Other comprehensive income/(Loss) (Net of tax)	-	-	-	47.62	(15.68)	31.94
Total comprehensive income for the year	**14,881.01**	**-**	**-**	**47.62**	**3,498.33**	**18,426.96**
As at 31 March 2022	**18,088.52**	**191.58**	**92.91**	**84.94**	**17,323.72**	**35,781.67**

* Addition during the year is net off share issue expenses of ₹ 35 lacs on account of preferential issue of equity shares.

Nature and purpose of other reserves

1. **Securities premium**

   Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act,2013. During the year Company issued 8,55,072 Equity Shares of face value of ₹ 10/- each fully paid-up, at an issue price of ₹1,755/- per equity share (inclusive of premium of ₹1,745/- per equity share)

2. **General reserve**

   The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

3. **Capital reserve**

   Capital reserve relates to the balance towards merger of Anmol Trading Company on 1 April 2001.

4. **Cash flow hedge reserve**

   The Company has designated its hedging instruments as cash flow hedges and any effective portion of cashflow hedge is maintained in the said reserve. In case the hedging becomes ineffective, the amount is recognised in the Statement of Profit and Loss.

In terms of our report attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231 W/W-100024

Jeyur Shah
Partner
Membership No: 045754

Brisbane, Australia
30 May 2022

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Managing Director
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London, United Kingdom
30 May 2022

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Chief Financial Officer
Vadodara
30 May 2022

Preeti Sheth
Company Secretary
Vadodara
30 May 2022

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

Note 1: Corporate Information

Shaily Engineering Plastics Ltd. ("the Company") is a public Company, limited by shares, incorporated and domiciled in India under the provisions of Companies Act, applicable in India, with its registered office in Savli, District Vadodara, Gujarat. Its equity shares are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. The Company is engaged in the manufacture and sale of customized components made up of plastic and other materials. The Company's manufacturing facilities are at Savli and Halol, Vadodara, Gujarat.

Note 2 - I: Significant accounting policies

a) Basis of preparation and measurement

i) Compliance with Ind AS

These standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

ii) Historical cost convention

These financial statements have been prepared on the historical cost basis except for defined benefit plans - net defined benefit (asset) / liabilities which have been measured at fair value based on principles of Ind AS 19 -"Employee benefits".

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

b) Segment reporting

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

The board of directors assesses the financial performance and position of the Company, and makes strategic decisions. The managing director has been identified as being the chief operating decision maker. Refer Note 32 for segment information.

c) Foreign currency transactions and translations

(i) Functional and presentation currency

Items included in standalone financial statements are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The standalone financial statements are presented in Indian rupee (₹), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Monetary items denominated in foreign currencies at the year-end are translated into the functional currency at the exchange rate prevailing on the balance sheet date.

Non-monetary items are carried at historical cost using the exchange rates on the date of transaction, other than those measured at fair value. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other incomes/expenses.

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

d) Revenue and income recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes discounts, incentives, volume rebates, goods & services tax and amounts collected on behalf of third parties. In determining the transaction price, the Company considers below, if any:

Variable consideration:

This includes discounts, incentives, volume rebates, etc. It is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

Contract balances

Trade receivables: A receivable represents the Company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Company delivers performance obligation under the contract.

Interest Income: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

Government grants

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

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

Export incentives

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. The same forms part of other non-operating income of the **Group**.

Export incentives

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. The same forms part of other non-operating income of the **Company**.

e) Income tax

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

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

Deferred tax is provided, on all temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement of Profit and Loss.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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

f) Leases

Ind AS 116 – Leases:

Ind AS 116 Leases replaces existing lease accounting guidance i.e. Ind AS 17 Leases. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received. Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is subsequently remeasured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset or is recorded in the Statement of Profit and Loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in Statement of Profit and Loss over the lease term. The related cash flows are classified as operating activities.

g) Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

h) Cash and cash equivalents

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

i) Inventories

Inventories are valued at cost or net realizable value, whichever is lower. The basis of determining cost for various categories of inventories is as follows:

Inventory	Cost Formula
Raw materials, components and packing materials	Weighted average cost basis.
Raw material in transit	At Cost to date
Work-in-process and Finished goods	Cost represents material, labour and manufacturing expenses and other incidental costs to bring the inventory in present location and condition.
Stores and Spares	First in first out.

j) Financial assets and liabilities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

A financial asset is recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through statement of profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Subsequent measurement

For purpose of subsequent measurement, financial assets are classified into:

a) Financial assets measured at amortised cost;

b) Financial assets measured at fair value through other comprehensive income (FVTOCI);

c) Financial assets measured at fair value through statement of profit and loss (FVTPL).

The Company classifies its financial assets in the above mentioned categories based on:

a) The Company's business model for managing the financial assets;

b) The contractual cash flows characteristics of the financial asset.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Financial assets measured at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

a) The financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets; and

b) The asset's contractual cash flows represent SPPI.

Financial assets measured at fair value through the statement of profit and loss (FVTPL)

FVTPL is a residual category. Any financial asset, which does not meet the criteria for categorisation as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a) The contractual rights to the cash flows from the financial asset have expired, or

b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through 'arrangement; and either:

   i) The Company has transferred substantially all the risks and rewards of the asset, or

   ii) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Company assesses impairment based on expected credit loss (ECL) model to the following:

a) Financial assets measured at amortised cost;

b) Financial assets measured at fair value through other comprehensive income

Expected credit losses are measured through a loss allowance at an amount equal to:

a) The 12 month's expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

b) Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable which is adjusted for management's estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value.

The Company's financial liabilities include trade and other payables.

Subsequent measurement

a) Financial liabilities measured at amortised cost;

b) Financial liabilities subsequently measured at fair value through statement of profit and loss (FVTPL)

Trade and other payables

These amounts represent liability for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when, and only when, there is a legally enforceable right to offset the recognised amount and there is intention either to settle on net basis or to realise the assets and to settle the liabilities simultaneously.

k) Property, plant and equipment

Recognition and measurement

Items of PPE are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Capital work-in-progress is stated at cost. All the direct expenditure related to implementation including incidental expenditure incurred during the period of implementation of a project, till it is commissioned, is accounted as Capital work-in-progress and after commissioning the same is transferred / allocated to the respective item of PPE. Pre-operative costs, being indirect in nature, are expensed to the Statement of Profit and Loss as and when incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Any gain or loss on disposal of an item of PPE is recognised in the Statement of Profit and Loss.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives which are in accordance with Schedule II to the Companies Act, 2013. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other incomes/expenses.

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

Classes of assets and their estimated useful lives:

Nature	Useful Life
Temporary Structure	3
Factory Building	30
Plant & Machinery	15
Tools and Equipments	5-15
Electrical Installation	10
Furniture & Fixtures	10
Office equipment	5
Computer Hardware	3
Vehicles	8

l) Intangible assets

Recognition and measurement

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Statement of Profit and Loss as incurred.

Amortisation

Intangible assets are amortised over the estimated period of benefit i.e. 3 to 10 years.

m) Intangible assets under development

The Company expenses costs incurred during research phase to profit or loss in the year in which they are incurred. Development phase expenses are initially recognised as intangible assets under development until the development phase is complete, upon which the amount is capitalised as intangible asset.

n) Borrowings costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

o) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursements.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

a) A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;

b) A present obligation arising from the past events, when no reliable estimate is possible;

c) A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

p) Employees Benefits

(i) Short-term obligations

Liabilities for wages and salaries and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Long-term obligations

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service and measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields on government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity, and
- defined contribution plans such as provident fund and superannuation fund

a) Defined benefit plans

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.

Remeasurements of net defined benefit liability which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of asset ceiling (if any excluding interest) are recognized in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of the contributions and benefit payments.Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost or past service gain') or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on settlement of a defined benefit plan when the settlement occurs.

b) Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds and employee state insurance corporation (ESIC) as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Superannuation Fund Contribution towards superannuation fund for qualifying employees as per the Company's policy is made to Life Insurance Corporation of India where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from contribution made on monthly basis.

q) Dividend

The Company recognises a liability to pay dividend to equity holders when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

r) Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

s) Rounding of amounts

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

t) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the standalone statement of profit and loss.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

u) Derivative and Hedging Activities

The Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations associated with borrowings (cash flow hedges). When the Company opts to undertake hedge accounting, the Company documents, at the inception of the hedging transaction, the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows or fair values of hedged items. The Company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges, is recognized through OCI and as cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in equity are reclassified to the Statement of Profit and Loss on settlement.

When the hedged forecast transaction results in the recognition of a non-financial asset, the amounts accumulated in equity with respect to gain or loss relating to the effective portion of the spot component of forward contracts, both the deferred hedging gains and losses and the deferred aligned forward points are included within the initial cost of the asset. The deferred amounts are ultimately recognised in the Statement of Profit and Loss as the hedged item affects profit or loss. When a hedging instrument expires, is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively and any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately transferred to the Statement of Profit and Loss.

Note 2 - II: Use of estimates and judgements

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

The area involving critical estimates or judgements is:

- **Employee benefit plans**

  The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

- **Embedded lease arrangement**

  The Mould required with respect to the arrangement with customer for customize manufacturing, is identified as embedded lease arrangement, as per Note 41, considering commitment by the customer in agreement with the Company. Over this period, customer commits to purchase definite quantity of product from the Company at fixed price per unit, failing which customer commits to pay to the Company for the unsold quantity of the product) at such fixed rate per unit.

- **Useful lives and residual value of property, plant and equipment**

  The Company reviews the useful life and residual value of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

- **Expected Credit Loss**

  In accordance with Ind AS 109, the Company follows 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL). The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rate are reviewed and changes in the forward-looking estimates are analysed.

- **Income taxes**

  Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

Note-3 Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification, and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Note 3 - Property, plant and equipment

Particulars	Freehold Land	Leasehold Land (Refer note i)	Buildings	Plant and Machinery	Plant and Machinery - R&D	Electrical Installations	Electrical Installations - R&D	Tools and Equipment	Tools and Equipment - R&D	Furniture and Fixtures	Office Equipment	Computer Hardwares	Roads	Vehicles	Total	Capital work-progress
Gross carrying amount as 1 April 2020	**1,880.57**	**9.20**	**4,181.40**	**10,199.42**	**56.32**	**1,058.11**	**-**	**2,805.25**	**6.47**	**216.51**	**97.17**	**151.44**	**18.24**	**577.09**	**21,257.19**	**3,719.00**
Additions	-	-	2,643.41	3,652.47	142.85	311.47	3.76	1,387.12	74.48	32.17	40.81	67.11	2.12	90.57	8,448.34	7,034.83
Disposals/Capitalisation	-	-	-	(14.37)	-	-	-	-	-	-	-	-	-	(20.40)	(34.77)	(8,448.34)
Cost as at 31 March 2021	**1,880.57**	**9.20**	**6,824.81**	**13,837.52**	**199.17**	**1,369.58**	**3.76**	**4,192.37**	**80.95**	**248.68**	**137.98**	**218.55**	**20.36**	**647.26**	**29,670.76**	**2,305.49**
Accumulated Depreciation as at 1 April 2020	-	-	518.34	4,118.26	1.05	298.70	-	459.34	0.08	105.80	38.73	66.27	17.10	140.46	5,764.13	-
Depreciation for the year	-	-	193.80	1,189.22	9.96	108.50	0.33	189.35	3.96	21.42	17.64	45.32	0.23	74.22	1,853.95	-
Disposals	-	-	-	(13.66)	-	-	-	-	-	-	-	-	-	(19.38)	(33.04)	-
Accumulated Depreciation as at 31 March 2021	**-**	**-**	**712.14**	**5,293.82**	**11.01**	**407.20**	**0.33**	**648.69**	**4.04**	**127.22**	**56.37**	**111.59**	**17.33**	**195.30**	**7,585.04**	**-**
Net carrying amount as at 31 March 2021	1,880.57	9.20	6,112.67	8,543.70	188.16	962.38	3.43	3,543.68	76.91	121.46	81.61	106.96	3.03	451.96	22,085.72	2,305.49
Gross carrying amount as 1 April 2021	**1,880.57**	**9.20**	**6,824.81**	**13,837.52**	**199.17**	**1,369.58**	**3.76**	**4,192.37**	**80.95**	**248.68**	**137.98**	**218.55**	**20.36**	**647.26**	**29,670.76**	**2,305.49**
Additions	-	-	3,004.08	5,926.66	-	425.08	-	2,877.19	-	199.10	69.01	75.27	-	30.25	12,606.64	11,913.22
Disposals/Capitalisation	-	-	-	(19.85)	-	-	-	-	-	-	-	-	-	(44.96)	(64.81)	(12,606.64)
Cost as at 31 March 2022	**1,880.57**	**9.20**	**9,828.89**	**19,744.33**	**199.17**	**1,794.66**	**3.76**	**7,069.56**	**80.95**	**447.78**	**206.99**	**293.82**	**20.36**	**632.55**	**42,212.59**	**1,612.07**
Accumulated Depreciation as at 1 April 2021	-	-	712.14	5,293.82	11.01	407.20	0.33	648.69	4.04	127.22	56.37	111.59	17.33	195.30	7,585.04	-
Depreciation for the year	-	-	282.07	1,487.63	10.50	148.88	0.36	351.56	4.72	27.42	27.58	60.40	0.67	76.44	2,478.24	-
Disposals	-	-	-	(27.19)	-	-	-	-	-	-	-	-	-	(33.82)	(61.01)	-
Accumulated Depreciation as at 31 March 2022	**-**	**-**	**994.21**	**6,754.26**	**21.51**	**556.08**	**0.69**	**1,000.24**	**8.76**	**154.64**	**83.95**	**171.99**	**18.00**	**237.92**	**10,002.27**	**-**
Net carrying amount as at 31 March 2022	**1,880.57**	**9.20**	**8,834.68**	**12,990.06**	**177.66**	**1,238.58**	**3.07**	**6,069.31**	**72.19**	**293.14**	**123.04**	**121.83**	**2.36**	**394.63**	**32,210.32**	**1,612.07**

Notes:

(i) The Company has acquired land for 99 years lease with an option to continue for another 99 years.

(ii) Refer note 39 for assets pledged as security.

(iii) Refer note 35 for disclosure of contractual obligations for acquisition of plant, property and equipment.

(iv) Addition includes borrowing cost of ₹ 97.25 lacs (PY ₹ 369.46 lacs) capitalised using the rate base on specific borrowings ranging from 7.20% to 9.06%

(v) During the year ended 31 March 2022 capital work in progress includes mainly plant & machinery, tools and equipments, building, electrification and preoperative expenses for New business projects expansion

(vi) Addition during the year 31 March 2022 includes research and development assets (Tangible Assets) of ₹ Nil (PY ₹ 221.08 lacs)

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

Note 3A - Capital-Work-in Progress (CWIP) ageing Schedule for the year ended:

As on 31 March 2022:

(in ₹ lacs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	1,604.62	7.45	-	-	1,612.07
Projects temporarily suspended	-	-	-	-	-
Total	**1,604.62**	**7.45**	**-**	**-**	**1,612.07**

As on 31 March 2021:

(in ₹ lacs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	2,221.53	83.96	-	-	2,305.49
Projects temporarily suspended	-	-	-	-	-
Total	**2,221.53**	**83.96**	**-**	**-**	**2,305.49**

Note 3B - Right-of-use assets

(in ₹ lacs)

	Buildings	Total
Gross carrying amount as at 1 April 2021	-	-
Additions during the year	201.98	201.98
Deductions / Adjustments during the year	-	-
Gross carrying amount as at 31 March 2022	**201.98**	**201.98**
Accumulated depreciation as at 01 April 2021	-	-
Depreciation for the year	41.73	41.73
Deductions during the year	-	-
Accumulated depreciation as at 31 March 2022	41.73	41.73
Net carrying amount as at 31 March 2022	**160.25**	**160.25**
Gross carrying amount as at 01 April 2020	-	-
Additions during the year	-	-
Deductions / Adjustments during the year	-	-
Gross carrying amount as at 31 March 2021	-	-
Accumulated depreciation as at 01 April 2020	-	-
Depreciation for the year	-	-
Deductions during the year	-	-
Accumulated depreciation as at 31 March 2021	-	-
Net carrying amount as at 31 March 2021	**-**	**-**

(i) Lease contracts entered by the Company majorly pertains for building taken on lease to conduct its business in the ordinary course.

(ii) Lease expenses of ₹ 39.06 lacs and ₹43.05 lacs recognised in statement of profit and loss in other expenses for the year ended 31 March 2022 and 31 March 2021 respectively towards short-term leases, lease of low value assets and variable lease rental not included.

(iii) Extension and termination options are included in some of the lease contracts. These are used to maximise operational flexibility in terms of managing assets used in Company's operations.

(iv) Lease obligations, interest expense on lease, maturity profile of lease obligation and payment of lease obligations are disclosed respectively in Balance Sheet, Finance cost

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

Note 4 - Intangible assets

Particulars	Copyright & Patents	Computer Software	Computer Software - R&D	Total (A)	Intangible under development (B)
Cost as at 1 April 2020	**114.68**	**225.81**	**17.55**	**358.04**	**876.46**
Additions	344.42	126.35	11.37	482.14	336.95
Capitalisation	-	-	-	-	(482.14)
Cost as at 31 March 2021	**459.10**	**352.16**	**28.92**	**840.18**	**731.27**
Accumulated amortisation as at 1 April 2020	10.50	127.66	5.20	143.36	-
Amortisation charge for the year	83.58	12.15	2.90	98.63	-
Accumulated amortisation as at 31 March 2021	**94.08**	**139.81**	**8.10**	**241.99**	**-**
Net carrying amount as at 31 March 2021	**365.02**	**212.35**	**20.82**	**598.19**	**731.27**
Cost as at 1 April 2021	**459.10**	**352.16**	**28.92**	**840.18**	**731.27**
Additions		22.67		22.67	541.59
Capitalisation	-	-	-	-	(22.67)
Cost as at 31 March 2022	**459.10**	**374.83**	**28.92**	**862.85**	**1,250.19**
Accumulated amortisation as at 1 April 2021	94.08	139.81	8.10	241.99	-
Amortisation charge for the year	41.84	83.83	3.79	129.46	-
Accumulated amortisation as at 31 March 2022	**135.92**	**223.64**	**11.89**	**371.45**	**-**
Net carrying amount as at 31 March 2022	**323.18**	**151.19**	**17.03**	**491.40**	**1,250.19**

Additions during the year ended 31 March 2022 includes research and development assets (Intangible assets) of ₹ Nil (PY ₹ 11.37 Lacs) and net block of ₹ Nil (PY ₹ 9.67) lacs.

Note 4A - Intangible Assets under Development (IAUD) ageing Schedule for the year ended:

As on 31 March 2022:

(in ₹ lacs)

IAUD	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	516.42	340.97	242.31	150.49	1,250.19
Projects temporarily suspended	-	-	-	-	-
Total	**516.42**	**340.97**	**242.31**	**150.49**	**1,250.19**

As on 31 March 2021:

(in ₹ lacs)

IAUD	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	331.01	249.77	150.49	-	731.27
Projects temporarily suspended	-	-	-	-	-
Total	**331.01**	**249.77**	**150.49**	**-**	**731.27**

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

Note 5 - Non-current investments

(in ₹ lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Investment in Equity Instrument in Subsidiary at cost, unquoted		
2,00,000 Equity shares of Shaily UK Ltd., fully paid up of 1 GBP Each.	205.07	-
Investment in equity instruments (fully paid-up) at FVOCI (Unquoted)		
119000 Shares of Panax Appliances Pvt. Ltd. fully paid up (PY : 119,000) Equity Shares of ₹10/- each	11.90	11.90
Less : Impairment allowances for investment	(11.90)	(11.90)
325 Shares of The Citizen Co-Operative Credit Society Ltd., fully paid up (PY 325) Equity shares of ₹ 25 each	0.08	0.08
Total Investment in Equity	205.15	0.08
Investment in Preference Share in Subsidiary at cost, unquoted		
7,00,000 non convertible preference shares of Shaily UK Ltd., fully paid up preference Shares of 1 GBP Each	706.73	-
Investment in Preference shares (fully paid up) at amortised cost (Unquoted)		
871000 6 % Cumulative Redeemable Preference Shares of ₹ 4/- each of Panax Appliances Pvt. Ltd. fully paid up (PY : 871,000 at ₹ 4/- each)	27.04	27.04
Less : Impairment allowances for investment	(27.04)	(27.04)
Total investment in preference shares	**706.73**	**-**
Total investments	**911.88**	**0.08**
Aggregate amount of unquoted investments	950.82	39.02
Aggregate amount of Impairment in value of investment	38.94	38.94

Note 6 - Other financial assets

(in ₹ lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Finance lease receivable	-	177.92
Security deposits	51.08	45.38
Derivative asset	290.83	363.30
Total non-current	**341.91**	**586.60**
Current		
Interest accrued on deposits	76.75	6.55
Finance lease receivable	221.01	376.43
Derivative asset	182.16	102.15
Total current	**479.92**	**485.13**

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

Note 7 - Other assets

(in ₹ lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Capital advances	825.98	2,178.46
Prepaid expenses	19.69	-
Balances with government authorities	155.40	135.20
Total Non-Current	**1,001.07**	**2,313.66**
Current		
Prepaid expenses	312.59	263.04
Contract assets*	527.20	144.27
Advance to suppliers	375.42	404.33
Advance to employees	9.11	-
Balances with government authorities	2,200.88	2,427.24
Total Current	**3,425.20**	**3,238.88**

*Classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Note 8 - Inventories (Valued at lower of cost and net realisable value)

(in ₹ lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials and components	5,548.32	3,650.25
(Goods in transit ₹ 1089.93 lacs 31 March 2022: ₹ 483.17 lacs 31 March 2021)		
Work-in-progress	1,727.17	1,396.02
Finished goods	3,127.37	1,303.90
Stores and spares	333.21	104.53
Packing materials	406.46	232.16
Total	**11,142.53**	**6,686.86**

The Company follows suitable provisioning norms for written down the value of inventories towards slow moving and non-moving inventory. Provision for the slow moving and non moving inventories during the year is ₹ 70.48 lacs (31 March 2021 is ₹ 83.16 lacs)

Note 9 - Trade receivables

(in ₹ lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
a) Trade Receivable considered good - Unsecured	9,986.19	6,953.43
b) Trade Receivable which have been Significant increase in Credit Risk	162.97	53.82
Less : Allowance for expected credit loss	(162.97)	(53.82)
Total	**9,986.19**	**6,953.43**

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

(i) Trade Receivable ageing schedule for the year ended:

As on 31 March 2022:

(in ₹ lacs)

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	7,396.48	2,222.04	328.81	12.61	18.27	7.98	9,986.19
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	19.13	33.03	90.66	3.56	11.55	5.04	162.97
	7,415.61	**2,255.07**	**419.47**	**16.17**	**29.82**	**13.02**	**10,149.16**
Less : Allowance for expected credit loss							(162.97)
Total							**9,986.19**

As on 31 March 2021:

(in ₹ lacs)

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	5,213.90	1,675.62	43.52	20.39	-	-	6,953.43
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	6.20	6.37	5.27	35.98	-	-	53.82
	5,220.10	**1,681.99**	**48.79**	**56.37**	**-**	**-**	**7,007.25**
Less : Allowance for expected credit loss							(53.82)
Total							**6,953.43**

Note 10 - Cash and cash equivalents

(in ₹ lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
a) Balances with banks		
In current accounts	180.12	47.38
In EEFC accounts	152.43	46.48
b) Cash on Hand	2.94	4.39
c) Deposits with bank (Original maturity less than 3 Months)	2,800.00	-
Total	**3,135.49**	**98.25**

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

Note 11 - Bank balances other than cash and cash equivalents

(in ₹ lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
In earmarked accounts		
Unpaid dividend accounts	2.77	2.77
Balances held as margin money (less than 12 months but more than 3 months maturity)*	388.38	190.60
Deposits with bank	800.00	-
Total	**1,191.15**	**193.37**

* Balance held as margin money are pertaining to deposits marked as lien against letter of credit and bank guarantee.

Note 12 - Loans (Unsecured, considered good)

(in ₹ lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Loan to Employees	24.62	27.41
Total	**24.62**	**27.41**

Note 13 (a) - Share capital

The authorised, issued, subscribed and fully paid-up share capital comprises of the following:

(i) Authorised share capital

Particulars	Number of shares	Amount
As at 31 March 2021 (Equity shares of ₹ 10 each)	**16,000,000**	**1,600.00**
As at 31 March 2022 (Equity shares of ₹ 10 each)	**16,000,000**	**1,600.00**

(ii) Issued,Subscribed & fully paid up

Particulars	Number of shares	Amount
As at 31 March 2021 (Equity shares of ₹ 10 each)	**8,318,430**	**831.84**
As at 31 March 2022 (Equity shares of ₹ 10 each)	**9,173,502**	**917.35**

(iii) Reconciliation of number of shares

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount ₹ lacs	Number of shares	Amount ₹ lacs
Equity shares				
Opening balance	8,318,430	831.84	8,318,430	831.84
Issued during the year*	855,072	85.51	-	-
Closing balance	9,173,502	917.35	8,318,430	831.84

* The Company has allotted additional 8,55,072 Equity shares of ₹ 10 each to Non promoter entities on preferential allotment basis basis under Chapter V of SEBI (Issue of Capital and Disclosure) Requirements, Regulations, 2015 at a price of ₹ 1,755 per share (inclusive of premium of ₹1,745/- per equity share). Pursuant to this allotment, the paid up equity share capital of the company has increased from 83,18,430 of ₹ 10 each to 91,73,502 of ₹ 10 each.

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

(iv) Terms and rights attached to equity shares

The Company has only one class of equity shares having face value of ₹ 10 each. Each holder of Equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company.

The distribution will be in proportion to the number of equity shares held by the shareholders.

(v) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% Holding	Number of shares	% Holding
Mahendra Sanghvi	1,036,335	11.30%	811,335	9.75%
Tilottama Sanghvi	1,287,715	14.04%	1,287,715	15.48%
Laxman Sanghvi	476,424	5.19%	476,424	5.73%
Jayessh Shah	762,231	8.31%	762,231	9.16%
Ashish Kacholia	599,696	6.54%	599,696	7.21%
HDFC Small Cap Fund	688,502	7.51%	710,796	8.54%
Light house India III Equity Investors Ltd.	507,198	5.53%	-	-

(vi) Disclosures of Shareholding of Promoters - Shares held by the Promoters:

Particulars	As at 31 March 2022		As at 31 March 2021		% Change during the year
	No. of share	% of total share	No. of share	% of total share	
Mahendra Sanghvi	1,036,335.00	11.30%	811,335.00	9.75%	1.54%
Laxman Sanghvi	476,424.00	5.19%	476,424.00	5.73%	(0.53%)
Tilottama Sanghvi	1,287,715.00	14.04%	1,287,715.00	15.48%	(1.44%)
Amit Sanghvi	60,658.00	0.66%	60,658.00	0.73%	(0.07%)
Jayessh Shah	762,231.00	8.31%	762,231.00	9.16%	(0.85%)
Kalpana Sanghvi	75,300.00	0.82%	75,300.00	0.91%	(0.08%)
Ramesh Shah	11,178.00	0.12%	13,500.00	0.16%	(0.04%)
Purnima Shah	10,008.00	0.11%	10,008.00	0.12%	(0.01%)
Lax Nagda	208,702.00	2.28%	208,702.00	2.51%	(0.23%)
Shaily Sanghvi	90,000.00	0.98%	90,000.00	1.08%	(0.10%)
Bharat Sanghvi	-	0.00%	308,084.00	3.70%	(3.70%)
Rashmi Sanghvi	-	0.00%	69,426.00	0.83%	(0.83%)
Rajen Sanghvi	-	0.00%	75,426.00	0.91%	(0.91%)
Total	4,018,551.00	43.81%	4,248,809.00	51.08%	

(vi) No equity shares are issued as bonus shares or for consideration other than cash or have been bought back in previous five financial years

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

Note 13 (b) - Other Equity

(in ₹ lacs)

Particulars		As at 31 March 2022	As at 31 March 2021
(a)	**Securities premium**		
	Opening balance	3,207.51	3,207.51
	Addition During the Year	14,916.01	
	Utilised	(35.00)	-
	Closing balance	18,088.52	3,207.51
(b)	**Capital reserve**		
	Opening balance	92.91	92.91
	Transfer from/to retained earnings	-	-
	Closing balance	92.91	92.91
(c)	**General reserve**		
	Opening balance	191.58	191.58
	Transfer from/to retained earnings	-	-
	Closing balance	191.58	191.58
(d)	**Cash flow hedge reserve**		
	Opening balance	37.32	(27.63)
	Addition during the year	47.62	64.95
	Closing balance	84.94	37.32
(e)	**Retained earnings**		
	Opening balance	13,825.39	11,641.97
	Profit for the year	3,514.01	2,202.08
	Item of other comprehensive income	(15.68)	(18.66)
	Closing balance	17,323.72	13,825.39
Total		**35,781.67**	**17,354.71**

For details of nature and purpose of each reserve, please refer Statement of changes in equity.

Note 14 - Non-Current borrowings

(in ₹ lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Secured		
Term loans:		
Rupee currency from banks	8,091.66	9,663.92
Foreign currency from banks	2,037.13	3,118.06
Vehicle loan	16.83	40.56
Unsecured*		
Loan from directors	13.85	13.85
Total	**10,159.47**	**12,836.39**

*Refer Note No 33 on Related Party Disclosure

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

	Maturity and terms of repayment	Coupon Rate	As at 31 March 2022	As at 31 March 2021
Term loans				
Rupee Currency		7.20% to 8.60% PY 7.25% to 12.35%	11,014.64	11,488.29
HDFC Term loan	TL-3 Quarterly installment of ₹ 166.67 lacs till January 2025 TL-4 Quarterly installment of ₹ 111.11 lacs from April 2021 till July 2025 TL New - Quarterly installment of ₹ 83.31 lacs from April 2021 till July 2025 GECL WCDL Loan - Monthly installment of ₹ 30.94 lacs from April 2022 till March 2026"			
SBI	TL-2 Quarterly installment of ₹ 190 lacs from Dec 2021 to Mar 2022, remaining quarterly installments of ₹195 lacs from Jun 2022 to Mar 2026 TL 8 Cr - Quarterly installment of ₹ 4.00 lacs from Mar 2022 till Dec 2026 GECL WCDL Loan - Monthly installment of ₹ 12.08 lacs from Oct 2022 till Sep 2026"			
SCB	GECL WCDL Loan - Monthly installment of ₹ 7.91 lacs from Apr 2022 till Mar 2026			
SCB	ECB-1 Quarterly installment of Euro 1.25 lacs From May 2021 till Feb 2025 ECB-2 Quarterly installment of Euro 1.56 lacs from Aug 2021 till May 2025"	3 months EURIBOR + 3% PY 3 months EURIBOR + 3%	2,989.55	3,874.45
Other Loans (Vehicle Loans)	Monthly installment of ₹ 2.99 lacs till Nov 2022 Monthly installment of ₹ 0.91 lacs till Dec 2023 Monthly installment of ₹ 0.62 lacs till Jun 2024	7.81% to 9.06% PY 7.81% to 9.06%	55.92	92.61
Total long-term borrowings			14,060.11	15,455.35
Less: Current maturities of long-term borrowings (included in note 15)			(3,914.49)	(2,632.81)
Loan from directors		12.50% PY 12050%	13.85	13.85
Total non-current borrowings			**10,159.47**	**12,836.39**

Security-

Term loans from banks are secured by first pari passu charge over entire property, plant and equipments of the Company and second pari passu charge over entire current assets of the Company.

Foreign Currency Loan from Bank is secured by first pari passu charge with existing term lender over entire property, plant and equipment of the Company and second pari passu charge on all the current assets with all existing working capital lenders. Also refer to Note No. 38 & 39 for further details."

In case of other loans (Vehicle Loans), Vehicles purchased are hypothecated with the lender.

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

Note 15 - Current borrowings

(in ₹ lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Loans repayable on demand (Secured)		
From banks		
Cash credit /Packing credit	2,413.78	3,996.04
Current maturities of long-term borrowing (Refer note 14)	3,914.49	2,632.81
Bill discounting	892.08	491.13
Total	**7,220.35**	**7,119.98**

Cash credit /Packing credit and bill discounting facilities from banks are secured by hypothecation of all current assets of the Company, present and future, such as inventories,receivables, loans and advances, etc. Cash credit /Packing credit and bill discounting are further secured by second pari passu charges over entire property, plant and equipments of the Company.

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

Note 16 - Provisions

Employee Benefit Provisions

(in ₹ lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Non-Current		
Provision for compensated absences	182.16	157.23
Total Non-Current	**182.16**	**157.23**
Current		
Provision for compensated absences	89.68	85.72
Total Current	89.68	85.72

Defined contribution plans

The Company makes Provident Fund and Superannuation Fund Contributions to defined contribution plans for qualifying employees. The Provident fund plan is operated by the Regional provident fund Commissioner. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary (i.e @12% is employer's contribution and @12% employee's contribution) as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The Company recognised for year ended 31 March 2022 ₹362.46 lacs (Year ended 31 March 2021 ₹281.13 lacs) for Provident Fund contributions, contribution towards Employee State Insurance scheme and other funds in the Statement of Profit and Loss.

Defined benefit plans

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972.

Compensated absences

Provision for compensated absences covers the liability for sick and earned leave. Compensated absences that are not expected to occur within twelve months after the end of the period in which the employee renders the related services are measured at the present value of expected future payments to be made in respect of such services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

approximating to the terms of the related obligation. The amount recognised towards compensated absences in statement of Profit and Loss during the year is ₹ 102.38 lacs (Previous Year ₹ 76.86 lacs)

Valuations of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit plans which are as follows:

(i) Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (i.e. value of defined benefit obligation).

(ii) Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(iii) Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

(iv) Investment Risk : The Company has funded with HDFC Insurance fund, therefore there is no significant Investment risk."

Gratuity

Particulars		As at 31 March 2022 Gratuity (Funded)	As at 31 March 2021 Gratuity (Funded)
(i)	**Change in defined benefit obligation**		
	Balance at the beginning of the year	518.34	486.90
	Adjustment of:		
	Current Service Cost	38.01	34.30
	Interest Cost	28.91	27.12
	Actuarial (gains) losses recognised in Other Comprehensive Income:		
	- Change in Financial Assumptions	(10.04)	-
	- Experience Changes	21.94	28.99
	Benefits Paid	(12.87)	(58.97)
	Balance at the end of the year	584.29	518.34

Particulars		As at 31 March 2022 Gratuity (Funded)	As at 31 March 2021 Gratuity (Funded)
(ii)	Change in fair value of assets		
	Balance at the beginning of the year	523.75	499.13
	Re-measurements due to:		
	Actual Return on plan assets less interest on plan assets	(9.05)	4.07
	Interest income	30.44	28.86
	Contribution by the employer	-	50.66
	Benefits Paid	(12.87)	(58.97)
	Balance at the end of the year	532.27	523.75
(iii)	Net asset / (liability) recognised in the Balance sheet		
	Present value of defined benefit obligation	584.29	518.34
	Fair value of plan assets	(532.27)	(523.75)
	Net (asset) / liability in the Balance sheet	52.02	(5.41)

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

Particulars		As at 31 March 2022 Gratuity (Funded)	As at 31 March 2021 Gratuity (Funded)
(iv)	Expenses recognised in the statement of Profit and loss		
	Current service cost	38.01	34.30
	Interest cost	(1.54)	(1.74)
	Total expense charged to statement of Profit and loss	36.47	32.56
(v)	Re-measurements recognised in other comprehensive Income (OCI):		
	Changes in financial assumptions	(10.04)	-
	Experience adjustments	21.94	28.99
	Actual return on plan assets less interest on plan assets	9.06	(4.07)
	Amount recognised in other comprehensive Income (OCI):	20.96	24.92

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of funded obligations	584.29	518.34
Fair value of plan assets	532.27	523.75
(Surplus) of funded plan	52.02	(5.41)
Unfunded plan	-	-
(Surplus) of Gratuity plan	52.02	(5.41)

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

Gratuity

Particulars	As at 31 March 2022	As at 31 March 2021
Insurer managed funds (funded with HDFC Insurance fund)	532.27	523.75
Total	**532.27**	523.75

Major category of plan assets as a % of plan assets :

Particulars	As at 31 March 2022	As at 31 March 2021
Debentures/Bonds	35.92%	34.14%
Govt Securities	61.42%	61.76%
Deposits , Money Market Securities and Net Current Assets	2.66%	4.10%
Total	**100.00%**	**100.00%**

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Gratuity

Particulars	As at 31 March 2022	As at 31 March 2021
Discount rate	6.80%	6.55%
Salary escalation rate	5.00%	5.00%
Withdrawal rates	60% at lower service reducing to 1% at higher service	60% at lower service reducing to 1% at higher service

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

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

	Change in assumption		Impact on defined benefit obligation *Increase /(decrease) in assumption*	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Discount rate	+/ -0.5%	+/ -0.5%	(19.08) / 20.42	(17.62) / 18.92
Salary escalation rate	+/ -0.5%	+/ -0.5%	19.81 / (18.69)	18.37 / (17.29)
Withdrawal Rate	+/ -10%	+/ -10%	(0.72) / 1.00	(0.56) / 0.84

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant.

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

Maturity Analysis

Particulars	Year 1	Year 2	Year 3-5	Year 6-10
31-Mar-22				
Defined Benefit Obligation	172.75	18.90	115.32	195.36
31-Mar-21				
Defined Benefit Obligation	154.07	20.04	89.76	170.00

Compensated absences

The summary of the assumptions used in the valuations is given below:

Financial Assumptions

Particulars	As at 31 March 2022	As at 31 March 2021
Discount rate	6.80%	6.55%
Salary escalation rate	5.00%	5.00%
Withdrawal rates	60% at lower service reducing to 1% at higher service	60% at lower service reducing to 1% at higher service

Leave Availment & Encashment Rate

Particulars	As at 31 March 2022	As at 31 March 2021
Leave Availment Rate (p.a.)	1.00%	1.00%

Note 17 - Other liabilities

(in ₹ lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Non-Current		
Advance from customers	162.05	22.11
Deferred income	10.93	12.39
Total Non-Current	**172.98**	**34.50**
Current		
Advance from customers.	2,201.67	640.08
Deferred income	1.46	1.46
Contract liabilities*	-	295.54
Statutory dues	64.14	62.61
Total Current	**2,267.27**	**999.69**

*Classified as non financial liability as the contractual right to consideration is dependent on completion of contractual milestones.

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

Note 18 - Trade payables

(in ₹ lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) total outstanding dues of micro enterprises and small enterprises	958.84	447.46
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	7,443.64	4,211.37
Total	**8,402.48**	**4,658.83**

(i) Trade Payable ageing schedule for the year ended:

As on 31 March 2022:

(in ₹ lacs)

Particulars	Outstanding for following period from due date of payment					Total
	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	700.99	253.41	4.44	-	-	958.84
(ii) Others	4565.64	2808.76	68.91	-	0.33	7,443.64
Total	**5,266.63**	**3,062.17**	**73.35**	**-**	**0.33**	**8,402.48**

As on 31 March 2021:

(in ₹ lacs)

Particulars	Outstanding for following period from due date of payment					Total
	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	226.57	220.80	0.09	-	-	447.46
(ii) Others	2,449.77	1,756.14	4.62	0.68	0.16	4,211.37
Total	**2,676.34**	**1,976.94**	**4.71**	**0.68**	**0.16**	**4,658.83**

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

(in ₹ lacs)

	Particulars	As at 31 March 2022	As at 31 March 2021
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	969.56	433.31
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	13.77	1.20
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	1,180.26	1,071.68
	- Amount of principal payments made to the supplier beyond the appointed day	1,180.26	1,071.68
	- Amount of interest payments made to the supplier beyond the appointed day	-	-
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	7.67	7.06
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	35.59	14.15
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	35.59	14.15

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

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

Note 19 - Other financial liabilities

(in ₹ lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Non-Current		
Deferred premium on derivative instrument	105.56	212.56
Total Non-Current	**105.56**	**212.56**
Current		
Accrued interest payable	120.87	107.75
Unpaid dividends	2.77	2.77
Capital creditors	126.16	623.46
Trade/Security deposit received	1.00	1.00
Accrued expense	12.62	8.00
Employee liabilities	405.67	459.76
Deferred premium on derivative instrument	107.00	137.99
Derivative liability	-	44.63
Total Current	**776.09**	**1,385.36**

Note 20 - Revenue from operations

(in ₹ lacs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products	54,477.42	33,542.35
Sale of services	1,826.81	1,698.55
Other operating revenue		
Sale of scrap	136.96	46.95
Export incentives	3.77	435.69
Others.	-	66.59
Interest on finance lease	140.24	269.51
Total other operating revenue	280.97	818.74
Total	**56,585.20**	**36,059.64**

Note 21 - Other income

(in ₹ lacs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest Income on deposits	225.27	25.16
Interest Income on Income Tax refund	28.30	-
Profit on sale of Asset	2.70	0.80
Net gain on foreign currency transactions	492.44	229.44
Interest component on account of Fair valuation of loan	77.83	-
Other non-operating income	56.16	2.67
Total	**882.70**	**258.07**

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

Note 22(a) - Cost of material consumed

(in ₹ lacs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Opening stock	3,882.41	3,415.62
Add:Purchases	39,917.90	23,181.05
Less :Closing stock	(5,954.78)	(3,882.41)
Total	**37,845.53**	**22,714.26**

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

(in ₹ lacs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Inventories at the end of the year		
Finished goods	3,127.37	1,303.90
Work in progress	1,727.17	1,396.02
	4,854.54	**2,699.92**
Inventories at the beginning of the year		
Finished goods.	1,303.90	821.36
Work in progress.	1,396.02	690.12
	2,699.92	**1,511.48**
Net (increase) /decrease	**(2,154.62)**	**(1,188.44)**

Note 23 - Employee benefit expenses

(in ₹ lacs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	3,704.01	2,973.61
Contributions to provident and other funds	362.46	281.13
Staff welfare expenses	253.83	167.74
Total	**4,320.30**	**3,422.48**

Note 24 - Finance costs

(in ₹ lacs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense on:		
Borrowings	1,519.88	1,156.54
Loans from related parties	1.73	1.76
Exchange difference on restatements of ECB to the extent considered as interest cost	36.97	46.26
Interest component on account of Fair valuation of loan	101.29	-
Interest expense on lease	12.11	-
Others	22.50	68.26
Total	**1,694.48**	**1,272.82**

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

Note 25 - Depreciation and amortisation expense

(in ₹ lacs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of property, plant and equipment	2,478.24	1,853.97
Amortisation of intangible assets	129.46	98.63
Depreciation on right to use assets	41.73	-
Total	**2,649.43**	**1,952.60**

Note 26 - Other expenses

(in ₹ lacs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Stores and spares consumed	350.41	237.17
Subcontracting and labour charges	2,169.71	796.90
Repairs & maintenance		
- Building	39.23	54.00
- Plant & Machinery	663.99	504.85
- Others	152.81	100.74
Rent (Refer note 28)	39.06	43.05
Rates and taxes	62.00	39.21
Insurance	220.46	181.96
Conveyance expense	25.53	24.97
Postage and telephone expense	33.47	18.29
Printing and stationery	56.60	34.33
Vehicle expense	107.88	87.22
Legal and professional	139.54	148.34
Directors' sitting fees	30.53	21.00
Sales commission and Fees	81.56	38.36
Payments to auditors (Refer Note (i) below)	26.98	16.76
Travelling expense	236.80	42.87
Carriage outwards	456.33	452.92
Advertisement	29.54	44.34
Corporate social responsibility	61.18	63.25
Expected credit loss allowance	109.15	15.07
Testing fees	261.03	172.79
Bank charges	128.27	82.03
Miscellaneous expenses	297.79	141.46
Total	**5,779.85**	**3,361.88**

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

(in ₹ lacs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(i) Details of payment to auditors		
As auditors		
(A) Audit fees	12.25	7.00
(B) Limited Review	10.25	7.50
(C) Tax Audit	1.00	0.50
In other capacity		
For Other services	3.48	1.76
Total	**26.98**	**16.76**
(ii) Corporate Social Responsibility		
Corporate Social Responsibility (CSR) expenses for the period	61.18	63.25
Gross amount required to be spent by the Company during the year	60.36	63.25
Amount spent during the year on		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	22.73	62.45
	22.73	**62.45**
Provision For CSR expenses		
Opening Balance	0.80	-
Add-Provision Created during the year	37.63	0.80
Less-Provision Utilised during the year	0.80	-
Closing Balance	37.63	0.80
The amount of shortfall at the end of the year out of the amount required to be spent by the company during the year	37.63	0.80
The total of previous year's shortfall amount	-	-
The reason for shortfall above shortfall by of a note	*Refer below note	*Refer below note
The nature of CSR activites undertake by the Company	Contribution to charitable trust	Contribution to charitable trust

*Unspent amount as at 31 March 2022 is ₹ 37.63 lacs (PY ₹ 0.80 lacs) will be transferred to special bank account u/s 135 (6) of the Companies Act, 2013.

Note 27 - Taxation

27 (a) - Income tax expense

(in ₹ lacs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current tax		
Tax expense for current year	833.60	522.76
Tax expense pertaining to prior years	9.77	-
Total current tax expense	843.37	522.76
Deferred tax		
Deferred tax (benefit) / expense pertaining to current year	283.38	263.51
Total deferred tax expense/(benefit)	**283.38**	**263.51**
Total income tax expense recognised in current year	**1,126.75**	**786.27**

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

Income Tax Recognised in other comprehensive Income

(in ₹ lacs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2022
Deferred Tax on items recognised in other comprehensive Income		
- Remeasurements of post employment benefit obligations	5.28	6.27
- Effective portion of gains on hedging instrument in cash flow hedges	(16.02)	(21.85)
Total current tax expense	**(10.74)**	**(15.58)**

27 (b) - Reconciliation of Estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

(in ₹ lacs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit for the period	**4,640.76**	**2,988.35**
Statutory tax rate applicable to Shaily Engineering Plastics Ltd.	25.170%	29.120%
Tax expense at applicable tax rate	**1,168.08**	**870.21**
Tax effects of following in calculating taxable income:		
Additional deduction claimed under Income tax Act	(44.33)	(131.53)
Adjustment of previous year taxes including deferred tax	-	25.75
Expenses not allowed as per Income tax Act	18.89	21.84
Others	(15.89)	-
Income tax expense	**1,126.75**	**786.27**
Effective tax rate	**24.279%**	**26.311%**

27 (c)- Deferred tax liabilities

The balance comprises temporary differences attributable to:

(in ₹ lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax liabilities:		
Difference between accounting and tax written down value of PPE & Intangible assets	1,475.41	1,168.80
Other timing differences	53.63	29.79
Total deferred tax liabilities	**1,529.04**	**1,198.59**
Deferred tax assets:		
Adjustment on account of provision for expected credit loss	41.02	13.55
Other timing differences	166.43	157.57
Total deferred tax assets	**207.45**	**171.12**
Net deferred tax liabilities	**1,321.59**	**1,027.47**

Movement in deferred tax balances

Particulars	As at 31 March 2021	Charged/ (credited) to profit and loss	Charged/ (credited) to Other Comprehensive income	Adjustment	As at 31 March 2022
Deferred tax liabilities:					
Difference between Accounting and Tax written down value	1,168.80	306.60	-	-	1,475.40
Other timing difference	29.79	7.87	16.02	-	53.68
Total deferred tax liabilities	1,198.59	314.47	16.02	-	1,529.08
Deferred tax assets:					
Adjustment on account of provision for expected credit loss	13.55	27.47	-	-	41.02
Other timing differences	157.57	3.58	5.28	-	166.43
Total deferred tax assets	**171.12**	**31.05**	**5.28**	**-**	**207.45**
Net deferred tax liabilities	**1,027.47**	**283.42**	**10.74**	**-**	**1,321.63**

Particulars	As at 31 March 2020	Charged/ (credited) to profit and loss	Charged/ (credited) to Other Comprehensive income	Adjustment	As at 31 March 2021
Deferred tax liabilities:					
Difference between Accounting and Tax written down value	876.93	291.87	-	-	1,168.80
Other timing difference	-	-	15.57	14.22	29.79
Total deferred tax liabilities	876.93	291.87	15.57	14.22	1,198.59
Deferred tax assets:					
MAT credit entitlement	-	-	-	-	-
Adjustment on account of provision for expected credit loss	21.32	(7.77)	-	-	13.55
Other timing differences	121.44	36.13	-	-	157.57
Total deferred tax assets	**142.76**	**28.36**	**-**	**-**	**171.12**
Net deferred tax liabilities	**734.17**	**263.51**	**15.57**	**14.22**	**1,027.47**

(in ₹ lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax recognised in OCI related to Remeasurements of post employment	5.28	6.27
Deferred tax recognised in OCI related to effective portion of gains/(losses) on hedging instrument in cash flow hedges	(16.02)	(21.85)
Total	**(10.74)**	**(15.57)**

Note 28 - Lease

The Company's significant leasing arrangements are mainly in respect of office & godown. Leases typically run in a range from 11 months to 5 years, with an option to renew the lease after that date. The Company previously used to classify leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company.

"The Company has adopted Ind AS 116 ""Leases"" with effect from 1 April 2019 i.e. date of transition with modified prospective approach. The Company has elected to account for short-term and low value leases using the practical expedient as given in the standard. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss. The weighted average incremental borrowings rate of 7.86% has been applied to lease liabilities recognised in the balance sheet at the date of initial application. Company's short term and low value consists of office premises taken on lease for a period of 11 months months which are renewable by mutual consent or mutually agreed terms. The aggregate of such lease rentals are charged as ""Rent"".

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

The Company used following practical expedients when applying Ind AS 116 :

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term."

Accordingly, Right-of-Use asset and lease liability of ₹ 201.98 lacs has been recognised.

A. Amount recognised in Statement of Profit and Loss

(in ₹ lacs)

Particulars	For year ended 31 Mar 2022	For year ended 31 March 2021
Interest on lease liabilities	12.11	-
Amortisation of ROU Assets	41.73	-
Expenses relating to short term and low value leases charged as Rent	39.06	43.05

B. Amount recognised in the Statement of Cash Flows

(in ₹ lacs)

Particulars	For year ended 31 Mar 2022	For year ended 31 March 2021
Interest component	12.11	-
Lease component	36.99	-

C. Maturity Analysis of Lease Liabilities

(in ₹ lacs)

Particulars	31 March 2022	31 March 2021
Maturity Analysis - Undiscounted		
Less than one year	44.38	-
One to five years	120.61	-
More than five years	-	-

Lease liabilities included in Balance Sheet

(in ₹ lacs)

Particulars	31 March 2022	31 March 2021
- Current	44.38	-
- Non Current	120.61	-

D. Movement of Right of Use Assets

Forming part of note to "Right of Use Assets" (refer note 3B).

E. Movement of Lease Liability

(in ₹ lacs)

Particulars	31 March 2022	31 March 2021
Balance as at the beginning	-	-
Addition	201.98	-
Deduction	-	-
Finance cost accrued	12.11	-
Payment of lease liabilities	49.10	-
Balance as at the end	**164.99**	**-**

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

Note 29 - Financial Instruments

29 a) - Fair Value Measurement - Financial instruments by category

(in ₹ lacs)

Particulars	Amortised cost	
	As at 31 March 2022	As at 31 March 2021
Financial assets		
Trade receivables	9,986.19	6,953.43
Cash and cash equivalents	3,135.49	98.25
Bank balances other than cash and cash equivalent above	1,191.15	193.37
Investment in Preference shares (Gross of allowance for impairment) (Refer note below) *	27.04	27.04
Loans and advances to employees	24.62	27.41
Other Financial Assets	348.84	606.28
Total financial assets - At amortised cost	**14,713.33**	**7,905.78**
Financial liabilities		
Borrowings	17,379.82	19,956.37
Trade Payables	8,402.48	4,658.83
Lease liabilities	164.99	-
Other Financial liabilities	881.65	1,597.92
Total financial liabilities - At amortised cost	**26,828.94**	**26,213.12**

(in ₹ lacs)

Particulars	FVOCI	
	As at 31 March 2022	As at 31 March 2021
Financial assets		
Equity shares of Panax Appliances Pvt. Ltd.(Gross of allowance for impairment)	11.90	11.90
Equity shares of Citizen Co-operative Society Ltd.	0.08	0.08
Derivative Asset	473.00	465.45
Total financial assets - At FVOCI	**484.98**	**477.43**
Financial liabilities		
Derivative liability	-	44.63
Total financial liabilities - At FVOCI	**-**	**44.63**

*Note:- Investment in subsidiary have been accounted at historical cost. Since these are scoped out of Ind AS 109 for the purpose of measurement, the same have not been disclosed in tables above.

29 b) Fair Value Measurement - Hierarchy

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

As at 31 March 2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Derivative Instruments					
Designated as Cash Flow Hedge	6	-	473.00	-	473.00
Financial Investments at FVOCI					
Equity Shares of Panax Appliances Pvt. Ltd.	5	-	-	11.90	11.90

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

As at 31 March 2022	Notes	Level 1	Level 2	Level 3	Total
Equity Shares of Citizen Co-operative Society Ltd.	5	-	-	0.08	0.08
Total Financial Assets		**-**	**473.00**	**11.98**	**484.98**
Financial liabilities					
Derivative Instruments					
Designated as Cash Flow Hedge	19	-	-	-	-
Total Financial liabilities		**-**	**-**	**-**	**-**

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

As at 31 March 2021	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Derivative Instruments					
Designated as Cash Flow Hedge	6		465.45	-	465.45
Financial Investments at FVOCI					
Equity Shares of Panax Appliances Pvt. Ltd.	5	-	-	11.90	11.90
Equity Shares of Citizen Co-operative Society Ltd.	5	-	-	0.08	0.08
Total Financial Assets		**-**	**465.45**	**11.98**	**477.43**
Financial liabilities					
Derivative Instruments		-	-	-	-
Designated as Cash Flow Hedge	19	-	44.63	-	44.63
Total Financial liabilities		**-**	**44.63**	**-**	**44.63**

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

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

There were no transfers between any levels during the year.

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

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

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

29 c) Fair Value Measurement - Technique

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

The fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

29 d) Derivative Financial Instruments

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

(i) The details of various outstanding derivative financial instruments are given below :

(in ₹ lacs)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Assets	Liabilities	Assets	Liabilities
Derivatives designated in cash flow hedges				
- Option contract	473.00	-	465.45	-
- Interest rate swap	-	-	-	44.63
Total designated derivatives	473.00	-	465.45	44.63

(ii) The details of the gross notional amounts of derivative financial instrument outstanding :

(in ₹ lacs)

Derivative instruments	Underlying	As at 31 March 2022	As at 31 March 2021
- Option contract	EUR/₹	€ 45.00 lacs	€ 45 lacs
- Interest rate swap	Floating to Fixed	€ 45.00 lacs	€ 45 lacs

(iii) The movement of cash flow hedges in other comprehensive income is as follows :

(in ₹ lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	37.31	(27.64)
(Gain)/losses reclassified to profit or loss	-	-
Deferred tax on (gain)/losses reclassified to profit or loss	-	-
Change in the fair value of effective portion of cash flow hedges	63.64	86.80
Deferred tax on fair value of effective portion of cash flow hedges	(16.02)	(21.85)
Balance at the end of the year	**84.93**	**37.31**

Note 30 -Financial risk management

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

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

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

- protect the Company's financial results and position from financial risks;

- maintain market risks within acceptable parameters, while optimising returns; and

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

30 a) Management of credit risks

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

Trade receivables

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

Expected credit loss for trade receivable under simplified approach

Ageing	Not due	0-90 days	91-180 days	181-270 days	271-360 days	More than 360 days	Total
Year ended 31 March 2022							
Gross carrying amount	7,415.61	2,019.88	235.19	18.41	401.06	59.01	10,149.16
Expected credit losses (Loss allowance provision)	19.13	16.30	16.73	2.29	88.37	20.15	162.97
Carrying amount of trade receivables	7,396.48	2,003.58	218.46	16.12	312.69	38.86	9,986.19
Year ended 31 March 2021							
Gross carrying amount	5,220.11	1,630.53	51.45	27.62	21.17	56.37	7,007.25
Expected credit losses (Loss allowance provision)	6.20	5.00	1.37	1.68	3.59	35.98	53.82
Carrying amount of trade receivables	5,213.91	1,625.53	50.08	25.94	17.58	20.39	6,953.43

30 b) Management of liquidity risk:

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

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

(in ₹ lacs)

	Carrying amount	Less than 12 months	More than 12 months	Total
As at 31 March 2022				
Borrowings	17,379.81	7,220.35	10,159.47	17,379.82
Trade Payables	8,402.48	8,402.48	-	8,402.48
Lease Liabilities	164.99	44.38	120.61	164.99
Other Financial liabilities	881.65	776.09	105.56	881.65
	26,828.94	**16,443.31**	**10,385.64**	**26,828.94**
As at 31 March 2021				
Borrowings	19,956.37	7,119.98	12,836.39	19,956.37
Trade Payables	4,658.83	4,658.83	-	4,658.83
Other Financial liabilities	1,597.93	1,385.38	212.55	1,597.93
	26,213.13	**13,164.19**	**13,048.94**	**26,213.13**

30 c) Management of market risks

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

30 d) (i) Foreign currency risk

The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised Financial assets and liabilities denominated in a currency that is not the functional currency '(INR) of the Company. The management does not undertake any hedging activities or otherwise to offset or mitigate the foreign currency and interest rate risk that it is exposed to other than the hedging EUR ECB loan. The Company undertakes significant of its foreign currency transaction in United States Dollar (USD). To the extent of lower of exports and imports that the Company undertakes in USD, the Company has a natural hedge against the exposure to foreign currency risks. However the Company has taken a EUR ECB Loan for which Currency Call Hedge has been undertaken.

The Company is exposed to foreign currency risks on accounts of foreign currency denominated receivables and payables as below:

(Amount in Foreign & rupee currency in)

As at 31 March 2022	USD	₹	EURO	₹	TWD	₹	GBP	₹	JPY	₹
Financial assets										
Trade receivable	31.24	2,370.96	0.19	15.65	-	-	-	-	-	-
Bank balance in EEFC accounts	2.01	152.43	-	-	-	-	-		-	
Exposure to foreign currency assets	**33.25**	**2,523.39**	**0.19**	**15.65**	**-**	**-**	**-**	**-**	**-**	**-**
Financial liabilities										
Trade payables	24.71	1,875.70	2.10	176.48		-	0.29	28.68	398.00	248.85
Borrowings	-	-	35.31	2,973.68	-	-	-		-	
Less : Foreign currency hedged	-	-	(35.31)	(2,973.68)	-	-	-	-	-	-

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

(Amount in Foreign & rupee currency in)

As at 31 March 2022	USD	₹	EURO	₹	TWD	₹	GBP	₹	JPY	₹
Interest Payable on Foreign borrowings			0.29	24.75						
Exposure to foreign currency risk liabilities	**24.71**	**1,875.70**	**2.39**	**201.23**	**-**	**-**	**0.29**	**28.68**	**398.00**	**248.85**

(Amount in foreign & rupee

As at 31 March 2021	US$	₹	EURO	₹	TWD	₹	GBP	₹	JPY	₹
Financial assets										
Trade receivable	25.50	1,874.24	0.89	76.20	-	-	-	-	-	-
Bank balance in EEFC accounts	0.63	46.38	-	-	-	-	-		-	
Exposure to foreign currency assets	**26.13**	**1,920.62**	**0.89**	**76.20**	**-**	**-**	**-**	**-**	**-**	**-**
Financial liabilities										
Trade payables	12.86	945.19	1.55	133.77	0.04	0.09	0.63	63.17	-	-
Borrowings	-	-	45.00	3,874.46	-	-	-		-	
Less : Foreign currency hedged	-	-	(45.00)	(3,874.46)	-	-	-	-	-	-
Interest Payable on Foreign borrowings			0.33	28.80						
Exposure to foreign currency risk liabilities	**12.86**	**945.19**	**1.88**	**162.57**	**0.04**	**0.09**	**0.63**	**63.17**	**-**	**-**

The outstanding HKD denominated balance being insignificant has not been considered.

Sensitivity

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

(in ₹ lacs)

Currency Sensitivity	Impact on profit before tax	
	As at 31 March 2022	As at 31 March 2021
US$ sensitivity		
₹/US$ -Increase by 1%*	6.48	9.75
₹/US$ -decrease by 1%*	(6.48)	(9.75)
EURO sensitivity		
₹/EURO -Increase by 1%*	(1.86)	(0.86)
₹/EURO -decrease by 1%*	1.86	0.86
GBP sensitivity		
₹/GBP -Increase by 1%*	(0.29)	(0.63)
₹/GBP -decrease by 1%*	0.29	0.63
JPY sensitivity		
₹/JPY -Increase by 1%*	(2.49)	-
₹/JPY -decrease by 1%*	2.49	-

*Holding all other variables constant

The outstanding HKD & TWD denominated balance being insignificant has not been considered for the purpose of sensitivity disclosures.

30 d) (ii) Interest rate risk

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

Currently, Interest rate on Term Loans are linked with Marginal Cost of funds based Lending Rate (MCLR) and to the extent of variation in MCLR, interest rates on terms loans are expected to be changed. The interest rates on Term loans which are linked with MCLR are reported in Note 14 - Non-current Borrowings.

The Company has taken a ECB loan of € 4.5Mn from the Standard chartered Bank, Dubai International Financials Branch, First of its drawdown being of € 2.0 Mn & the second drawdown being of €2.50 Mn. We have taken Interest rate swap for converting the floating interest rate to fixed rate and thus hedging against risk of upward movement of EURIBOR rates.

For the year ended 31 March 2022 and 31 March 2021, a 10 basis point increase / decrease in interest rate on floating rate liabilities would impact Company's profit before tax by approximately 0.37 % and 0.48% respectively.

Note 31 - Details of Government Grants

(in ₹ lacs)

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Government grants received by the Company during the year towards		
i.) Duty drawback (recognised under Export Incentive under Other revenue from operations)	3.77	7.55
ii.) Other incentives (Merchandise Exports from India Scheme and Focus Product Scheme the revenue of which has been recognised under Export Incentive)	-	428.14
iii.) Other Government Grant include grant received by the Company in respect to investment made by the Company in plant and equipment.		
A) Amount of grant received during the year	-	-
B) Amortised in statement of Profit and Loss	1.49	1.45
C) Unamortised portion of grant recorded as deferred income in current and non current liabilities	12.39	13.88

Note 32 - Segment revenue

In accordance with the requirement of Ind AS 108 -"segment reporting", the Company is primarily engaged in the business of manufacturing of customised components made up of plastic and other materials and has no other primary reportable segments. The Board of Directors of the Company allocates the resources and assess the performance of the Company, thus Chief Operating Decision Maker("CODM"). The CODM monitors the operating results of the business as a single segment hence no separate segment needs to be disclosed. Thus the segment revenue, segment result, total carrying value of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, the total amount of charge for depreciation and amortisation during the year are all as reported in the financial statements for the year ended 31 March 2022 and as on that date.

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

(in ₹ lacs)

Revenue from sale of products and services	**As at 31 March 2022**	**As at 31 March 2021**
India	13,997.72	10,494.58
Outside India	42,306.50	24,746.32
Total Revenue from sale of products and services	**56,304.22**	**35,240.90**

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

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

(in ₹ lacs)

Non-current assets	As at 31 March 2022	As at 31 March 2021
India	38,176.54	29,020.95
Outside India	-	-
Total non-current assets	**38,176.54**	**29,020.95**

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

Note 33 - Related Party Transactions

33 a) Details of related parties

Description of relationship	Names of related parties
Key Management Personnel	
Executive Chairman	Mr. Mahendra Sanghvi
Managing Director	Mr. Amit Sanghvi
Executive Director	Mr. Laxman Sanghvi
Whole Time Director	Mrs. Tilottama Sanghvi
Chief Executive Officer	Mr. Anil Kalra upto April-2021
Other Related Parties	
Wholly Owned Subsidiary Company	Shaily (UK) Ltd.
Entities in which KMP have significant influence	Panax Appliances Pvt. Ltd.
Entities in which KMP have significant influence	Shaily-IDC India Pvt. Ltd.
Entities in which 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

33 b) Key management personnel compensation

For the Year ended 31 March 2022	Total
Mr. Mahendra Sanghvi	126.08
Mr. Amit Sanghvi	133.74
Mr. Laxman Sanghvi	72.75
Mrs. Tilottama Sanghvi	64.19

For the Year ended 31 March 2021	Total
Mr. Mahendra Sanghvi	126.86
Mr. Amit Sanghvi	130.58
Mr. Laxman Sanghvi	72.53
Mrs. Tilottama Sanghvi	62.37
Mr. Anil Kalra	100.88

Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

33 c) Transactions with related parties

(in ₹ lacs)

Nature of Transaction	Year ended 31 March 2022	Year ended 31 March 2021
Rent paid for lease arrangements		
Mrs. Tilottama Sanghvi	8.40	8.40
Jariwala Shah Kanji Raichand & Co	7.08	7.08
Interest paid on loans		
Mr. Laxman Sanghvi	1.73	1.76
Investment		
Shaily (UK) Ltd.	911.80	-
Remuneration		
Mrs Kinjal Bhavsar	17.89	36.13

33 d) Outstanding balances

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

(in ₹ lacs)

	As at 31 March 2022	As at 31 March 2021
Advance to supplier		
Shaily Medical Plastics Pvt. Ltd.	9.50	9.50
Total receivables to related parties	**9.50**	**9.50**
Trade Payables		
Panex appliances Pvt. Ltd	20.03	20.03
Unsecured Loans		
Mr. Laxman Sanghvi	13.85	13.85
Total payables to related parties	**33.88**	**33.88**

33 e) Terms and conditions :

(i) All outstanding balances are unsecured and are repayable/receivable in cash and all the transactions with these related parties are priced on an arms length basis

Note 34 - Contingent liabilities

(in ₹ lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Income Tax	2.54	2.54
(b) Sales Tax	5.74	5.74
(c) Custom Duty	97.84	97.84
(d) Service Tax	212.65	185.75
(e) Excise Duty	3.22	-
(e) Workmen compensation	Amount Not determinable	Amount Not determinable

It is not practical for the Company to estimate the closure of these issue and the consequential timing of cash flows, if any.

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

The Hon'ble Supreme Court of India ("SC") set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. In view of management, guidelines directed under SC judgement has been implemented w.e.f. 01 October 2019 and an additional financial liability for the period from 01 April 2019 to 30 September 2019 has been considered in provision. In addition, the SC judgement hasn't expressed whether this effect shall be prospectively or retrospectively, the impact before 01 April 2019, if any, is not ascertainable and consequently no financial effect has been provided for in the accounts. Accordingly, this has been disclosed as a contingent liability in the financial statements

Note 35 - Commitments

Particulars	As at 31 March 2022	As at 31 March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for:		
- Tangible assets	362.68	5,665.32

Note 36 - Disclosure under Ind AS 115

(A) Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	As at 31 March 2022	As at 31 March 2021
Revenue as per contracted price	56,304.22	35,240.90
Adjustments :		
Rebates & Discounts	-	-
Revenue from contract with customers	**56,304.22**	**35,240.90**

(B) Contract balances:

The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables (net of allowances for expected credit loss)(Note 9)	9,986.19	6,953.43
Contract assets e.g. Unbilled Revenue (Note 7)	527.20	144.27
Contract liabilities e.g. Overbilled Revenue (Note 17)	-	295.54

Changes in contract assets and liabilities are mainly on account of contractual right to consideration and is dependent on completion of contractual milestones.

(C) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year:

Particulars	As at 31 March 2022	As at 31 March 2021
Amounts included in contract liabilities at the beginning of the year	295.54	356.81
Performance obligations satisfied in previous years, not previously recongnised	-	-

(D) Unsatisfied or partially satisfied Performance Obligation

Revenue to be recognised in future related to the performance obligations that are unsatisfied or partially satisfied as at 31 March 2021 and expected to be recognised within one year is of ₹ 400.634 lacs (P.Y. ₹ 2,211.53 lacs) and for more than one year is ₹ Nil lacs (P.Y. ₹ 335.12 lacs).

(E) Disaggregation of revenue

The management determines that the segment information reported under Note 32 - Segment reporting is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported.

(F) Significant payment terms

Generally, the Company provides credit period in the range of 30 -120 days for customers.

Note 37 - Earnings per share

(in ₹ lacs)

	Year ended 31 March 2022	Year ended 31 March 2021
Profit attributable to the equity holders of the Company	3,514.01	2,202.08
Less: Share issue expenses (net of taxes)	26.19	-
Profit attributable to the equity holders of the Company	3,487.82	2,202.08
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	8,763,536	8,318,430
Total basic & diluted earnings per share attributable to the equity holders of the Company	39.80	26.47

Note 38 - Offsetting financial assets and Liabilities

The below note presents the recognised financial instruments that are offset or subject to enforceable master netting arrangements and other similar arrangements and other similar agreements, but not offset as at 31 March 2022 ; 31 March 2021

Collateral against borrowings

The Company has hypothecated / mortgaged financial instruments as collateral against a number of its borrowings. Refer note 39(assets pledged) for further information on financial and non-financial collateral hypothecated.

Note 39 - Assets pledged as security

(in ₹ lacs)

	As at 31 March 2022	As at 31 March 2021
Current (Present and Future)		
Second pari passu charge for all term loans and foreign currency loans from banks		
Inventories	11,142.53	6,686.86
Trade receivables	9,986.19	6,953.43
Cash and cash equivalents	3,135.49	98.25
Bank balances other than cash and cash equivalents	1,191.15	193.37
Balances with government authorities	2,200.87	2,427.24
Advance to suppliers	375.42	404.33
Advance to Employees	9.11	-
Interest accrued on deposits	76.75	6.55

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

(in ₹ lacs)

	As at 31 March 2022	As at 31 March 2021
Loan to employees	24.62	27.41
Finance Lease receivables	221.01	376.43
Derivative asset	182.16	102.15
Prepaid expense	312.59	263.04
Contract assets	527.20	144.27
Total current assets pledged as security	**29,385.09**	**17,683.33**
Non-Current		
First pari passu charge for all term loans and foreign currency loans from banks		
Property, plant and equipment	32,210.32	22,085.72
Capital work-in-progress	1,612.07	2,305.49
Total	**33,822.39**	**24,391.21**

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

(in ₹ lacs)

Name of the party	Relationship	Nature	As at 31 March 2022	As at 31 March 2021
Shaily Medical Plastics Pvt. Ltd.	Significant Influence of KMP	Outstanding Balance	9.50	9.50
		Maximum Balance Outstanding	9.50	9.50

The above advance has been given for business purpose

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

(in ₹ lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Money received from Director during the year	-	-
Balance outstanding at the end of the year	13.85	13.85

Note-40 Analytical ratios

Sr. No	Particulars	Parameter for Calculation	Year ended 31/Mar/2022	Year ended 31/Mar/2021	Movement	Variance	Remarks *
1	Current Ratio	Current assets / Current liabilities	1.56	1.24	0.32	25.95%	Better cash position as projects are funded partially from Preferential issue proceeds
2	Return on Equity Ratio	Net profit after taxes / Average shareholder's equity	0.13	0.13	(0.00)	(0.78%)	
3	Net profit ratio	Net Profit/Net Sales	6.21%	6.11%	0.00	1.69%	
4	Return on Capital employed	EBIT/Capital Employed	17.3%	23.4%	(0.06)	(26.32%)	Temporarily strain on EBIT as projects such as Carbon Steel are in gestation

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

Sr. No	Particulars	Parameter for Calculation	Year ended 31/Mar/2022	Year ended 31/Mar/2021	Movement	Variance	Remarks *
5	Inventory turnover	Cost of goods sold or Sales / Average Inventories	4.25	3.90	0.35	8.92%	
6	Trade receivables turnover	Net credit sales / Average trade receivables	6.65	5.40	1.25	23.14%	Favourable due to better recoveries and favourable Sales mix
7	Trade payables turnover	Net Credit Purchases / Average trade payables	6.11	4.98	1.13	22.64%	Favourable due to more streamlined payment cycles
8	Net capital turnover ratio	Net Sales/Working Capital	5.35	10.50	(5.15)	(49.00%)	Spike in Current Assets as funds from Preferential proceeds unutilised portion parked in Fixed deposits
9	Debt equity ratio	Total debt / Net worth Total debt= Long term borrowings (incl. current maturities of long term borrowings) + Short term borrowings Net worth: Equity share capital + Other equity	0.47	1.10	(0.63)	(57.75%)	During the year Company issued 8,55,072 Equity Shares of face value of ₹ 10/- each fully paid-up, at an issue price of ₹1,755/- per equity share (inclusive of premium of ₹1,745/- per equity share) leading to increase in share capital and reduction in debt proportion
10	Debt service coverage ratio	Profit after tax + Deferred tax + Depreciation and amortisation + Interest on debt and lease / Interest on debt and lease + Principal repayments of long term debt including lease payment	4.64	4.88	(0.24)	(5.01%)	
11	Return on Investment (%)	Total income/ Average inventory	6.35	6.19	0.16	2.58%	

*In accordance with amended Schedule III, explanation shall be provided for any change in the ratio by more than 25% as compared to the ratio of preceding year.

Note 41 - Research & Development Expenditure

(in ₹ lacs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Expenditure incurred on research and development		
(a) Included in employee benefit expenses	-	213.42
(b) Included in tangible assets	-	221.08
(c) Included in intangible assets	-	11.37
(d) Included in other expenses	-	1.08
Total	**-**	**446.95**

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

Note 42 - Note on Finance Leases

The Company has entered into Purchase Agreements with its customers for Various Moulds.The agreements with customers for these assets Provide for take or pay agreements as per which Customers are Committed to purchase committed Quantity of the Component from the Company over defined period of the time failing which customers are obliged to reimburse the company for the shortage in minimum Committed quantity. The arrangement analysis pursuant to IND As 116 "lease" Identified an embedded finance lease and accordingly, the said arrangement has been accounted accordingly (Refer Note 6)

Amount receivable under Finance Lease

(in ₹ lacs)

Currency Sensitivity	Minimum Lease receivable		Present value of minimum lease payments	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Not later than one year	307.65	378.52	221.01	376.43
Later than one year and not later than five years	-	282.60	-	177.92
Later than five years				
	307.65	661.12	221.01	554.35
Unearned finance income	86.64	106.77	-	-
Present value of minimum lease payments receivable	221.01	554.35	221.01	554.35
Allowance for uncollectible lease payments	-	-	-	-

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

The average effective interest rate contracted is about 37.50 % per annum.

Note-43 Capital Management

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

(in ₹ lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Total Debt (Bank and other borrowings)	17,379.82	19,956.37
Less: Liquid Investments and bank deposits	5,238.53	291.70
Net Debt	12,141.29	19,664.67
Total Equity	36,699.02	18,186.55
Net Debt to Equity (Net)	0.34	1.09

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

Note-44 Reclassification as per amendments in Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021. Consequent to above, the Company has changed the classification/presentation of (i) security deposits (ii) current maturities of long-term borrowings, in the current year. The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1.

(i) Security deposits amounting to ₹ 51.08 lacs (31 March 2021 : ₹ 45.38 lacs) have been reclassified from "Loans" under Non-current financial assets to "Other financial assets" under Non-current financial assets. (Refer note 6)

(ii) Current maturities of long term borrowing amounting to ₹ 3,914.49 lacs (31 March 2021 : ₹ 2,632.81 lacs) have been reclassified from "Other financial liabilities" under Current financial liabilities to "Borrowings" under Current financial liabilities. (Refer note 15)

Note-45 Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

   a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

   b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

   a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

   b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

Note 46

The Indian Parliament has approved the Code on Social Security, 2021 ('Code') which may likely to impact the contributions made by the Company towards Provident Fund and Gratuity. The Company will assess the impact and its evaluation once the corresponding rules are notified and will give appropriate impact in the standalone financial statements in the period in which the Code becomes effective and the related rules are notified.

Note 47

All material events occurring after the balance sheet date upto the date of approval of financial statements by the Board of Directors on 30 May 2022, have been considered, disclosed and adjusted, wherever applicable, as per the requirements of Ind AS 10 - Events after the Reporting Period.

Notes forming part of the Standalone financial statements as at and for the year ended 31 March 2022

Note 48

The financial statements are approved for issue by the Board of Directors in their meeting held on 30 May 2022.

Note 49 - Impact on COVID - 19

The spread of COVID-19 has severely impacted business around the globe. In many countries including India, there has been severe disruption to regular business operations due to lockdown, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures.

The Company has made detailed assessment of its liquidity position for the next one year and the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible Assets, Finance Lease Receivables, Trade Receivables, Other Receivables and Inventory as at the balance sheet date and has concluded that there is no material adjustments required in the Financial Statements.

Management believes that it has considered all the possible impact of known events arising from COVID -19 pandemic in the preparation of the financial Statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

In terms of our report attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231 W/W-100024

Jeyur Shah
Partner
Membership No: 045754

Brisbane, Australia
30 May 2022

For and on Behalf of the Board of Directors

Shaily Engineering Plastics Limited
CIN : L51900GJ1980PLC065554

Mahendra Sanghvi Executive Chairman DIN: 00084162	**Amit Sanghvi** Managing Director DIN: 00022444	**Ashish Somani** Chief Financial Officer	**Preeti Sheth** Company Secretary
Vadodara 30 May 2022	London, United Kingdom 30 May 2022	Vadodara 30 May 2022	Vadodara 30 May 2022

Independent Auditor's Report

To the Members of Shaily Engineering Plastics Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Shaily Engineering Plastics Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements of such subsidiary as were audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditor referred to in sub paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement and based on the consideration of report of the other auditor on separate financial statements of component audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Revenue recognition

See Note 20 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Revenue from the sale of goods and sale of service has been recognised when the control of the goods and service is transferred which is generally in accordance with the terms of sales and service contracts.	Our procedures included the following: • Obtain understanding of and assessing the design implementation and operating effectiveness of the Company's key internal financial controls in relation to revenue recognition • Inspecting customer contracts, on random sample basis to identify the terms and conditions relating to the transfer of control of the products sold and services provided and assessing the Company's timing of revenue recognition.

Independent Auditors' Report

The key audit matter	How the matter was addressed in our audit
We have identified the recognition of revenue as key audit matter because revenue is a key performance indicator of the Company, and therefore there is an inherent risk that revenue is overstated to meet financial expectations or targets. The company has various customers with different terms of trade which increase the risk of error in the timing of revenue recognition.	• Identified significant terms and deliverables in contract to assess management's conclusion regarding the (i) identification of distinct performance obligation (ii) Allocating the transaction price to the performance obligation in the contract • Comparing on random sample basis revenue transaction recorded before the financial year end with relevant underlying documents including gate outward register and shipping documents to assess whether revenue from sale of goods has been recognised in the appropriate financial period and • Circulation of selected balance confirmation to customers on random sample basis and reconciling the differences if any on amounts confirmed by customer and amounts recorded by management.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the audit report of other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the Companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each Company.

Independent Auditors' Report

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a
- material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent Auditors' Report

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of Rs 1070.14 lakhs as at 31 March 2022, total revenues (before consolidation adjustments) of Rs 185.48 lakhs and net cash flows amounting (before consolidation adjustments) to Rs 379.23 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit report of the other auditor.

This subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which have been audited by other auditor under generally accepted auditing standards applicable in its country. The Group's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Group's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Group and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiary as were audited by other auditor as noted in the "Other Matters" paragraph 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 of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding companies is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

Independent Auditors' Report

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company being the only company in Group which is incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary as noted in the "Other Matters" paragraph:

a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 33 to the consolidated financial statements.

b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year.

c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2022.

d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The Holding Company incorporated in India have neither declared nor paid any dividend during the year.

(B) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No : 116231W/W-100024

Jeyur Shah
Partner
Membership No: 045754
UDIN:22045754AJXKCT2120

Place: Brisbane, Australia
Date: 30 May 2022

Annexure A to the report on the Audit of the Consolidated Financial Statements

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the consolidated financial statements for the year ended 31 March 2022, we report the following:

According to the information and explanations given to us and based on our examination, there are no companies included in the consolidated financial statements of the Holding Company which are companies incorporated in India except the Holding Company. The Companies (Auditor's Report) Order, 2020 of the Holding Company did not include any unfavourable answers or qualifications or adverse remarks.

Annexure B to the Independent Auditors' report on the the Consolidated Financial Statements of Shaily Engineering Plastics Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Shaily Engineering Plastics Limited (hereinafter referred to as "the Holding Company") as of that date.

In our opinion, the Holding Company have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. 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 the respective 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 (hereinafter referred to as the "Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of such internal financial controls with reference to consolidated financial

Annexure B to the Independent Auditors' report on the the Consolidated Financial Statements of Shaily Engineering Plastics Limited for the year ended 31 March 2022

statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A Company's internal financial controls with reference to consolidated financial statements 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 controls with reference to consolidated financial statements 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 with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No : 116231W/W-100024

Jeyur Shah
Partner
Membership No: 045754
UDIN:22045754AJXKCT2120

Place: Brisbane, Australia
Date: 30 May 2022

Consolidated Balance Sheet as at 31 March 2022

(in ₹ lacs)

Particulars	Note	As at 31 March 2022
ASSETS		
Non-current assets		
a) Property, plant and equipment	3	32,236.27
b) Capital work-in-progress	3A	1,612.07
c) Right-of-use asset	3B	160.25
d) Other intangible assets	4	898.06
e) Intangible assets under development	4A	1,250.19
f) Financial assets		
i. Investments	5	0.08
ii.Other financial assets	6	341.91
g) Income tax assets (net)		197.44
h) Other non-current assets	7	1,001.07
Total non-current assets		**37,697.34**
Current assets		
a) Inventories	8	11,142.53
b) Financial assets		
i. Trade receivables	9	10,169.12
ii. Cash and cash equivalents	10	3,514.72
iii. Bank balances other than cash and cash equivalents	11	1,191.15
iv. Loans	12	24.62
v. Other financial assets	6	479.92
c) Other current assets	7	3,500.56
Total current assets		30,022.62
TOTAL ASSETS		**67,719.96**
EQUITY AND LIABILITIES		
EQUITY		
a) Equity share capital	13(a)	917.35
b) Other equity	13(b)	35,782.29
TOTAL EQUITY		**36,699.64**
LIABILITIES		
Non-current liabilities		
a) Financial liabilities		
i. Borrowings	14	10,159.47
ii Lease Liability	28	120.61
iii. Other financial liabilities	19	105.56
b) Provisions	16	182.16
c) Deferred tax liabilities (Net)	27(c)	1,317.57
d) Other non-current liabilities	17	172.98
Total non-current liabilities		**12,058.35**
Current liabilities		
a) Financial liabilities		
i. Borrowings	15	7,220.35
ii Lease Liability	28	44.38
iii. Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	18	958.84
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	18	7,597.24
iv. Other financial liabilities	19	776.09
b) Other current liabilities	17	2,275.39
c) Provisions	16	89.68
Total current liabilities		**18,961.97**
TOTAL LIABILITIES		**31,020.32**
TOTAL EQUITY AND LIABILITIES		**67,719.96**
Notes forming part of the Financial Statements	1-49	

In terms of our report attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231 W/W-100024

Jeyur Shah
Partner
Membership No: 045754

Brisbane, Australia
30 May 2022

For and on Behalf of the Board of Directors

Shaily Engineering Plastics Limited
CIN : L51900GJ1980PLC065554

Mahendra Sanghvi
Executive Chairman
DIN: 00084162
Vadodara
30 May 2022

Amit Sanghvi
Managing Director
DIN: 00022444
London, United Kingdom
30 May 2022

Ashish Somani
Chief Financial Officer
Vadodara
30 May 2022

Preeti Sheth
Company Secretary
Vadodara
30 May 2022

Statement of Consolidated of Profit & Loss for the year ended 31 March 2022

(in ₹ lacs)

Particulars	Note No.	Year ended 31 March 2022
Income		
Revenue from operations	20	56,770.68
Other income	21	882.74
Total income		**57,653.42**
Expenses		
Cost of materials consumed	22(a)	37,904.11
Changes in inventories of finished goods and work-in-progress	22(b)	(2,154.62)
Power and fuel		2,692.17
Employee benefits expense	23	4,332.92
Finance costs	24	1,694.48
Depreciation and amortisation expense	25	2,653.74
Other expenses	26	5,877.24
Total expenses		**53,000.04**
Profit before tax		**4,653.38**
Income tax expense		
- Current tax	27	833.60
- Tax expense for earlier periods	27	9.77
- Deferred tax	27	283.38
Total tax expense		**1,126.75**
Profit for the year		**3,526.63**
Other Comprehensive Income		
Items that will not be reclassified to profit or loss		
- Remeasurements of post employment benefit obligations		(20.96)
- Income tax relating to above		5.28
Items that will be reclassified to profit or loss		
- Effective portion of gains on hedging instrument in cash flow hedges		63.64
- Exchange differences in translating the financial statements of foreign operations		(16.04)
- Income tax relating to above		**(11.98)**
Other Comprehensive Income net of income tax for the year		**19.94**
Total Comprehensive Income for the year		**3,546.56**
Earning per Equity Share (Face value of ₹ 10 each)		
Basic and Diluted	37	**39.94**
Notes forming part of the Financial Statements	1-49	

In terms of our report attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231 W/W-100024

Jeyur Shah
Partner
Membership No: 045754

Brisbane, Australia
30 May 2022

For and on Behalf of the Board of Directors

Shaily Engineering Plastics Limited
CIN : L51900GJ1980PLC065554

Mahendra Sanghvi
Executive Chairman
DIN: 00084162

Vadodara
30 May 2022

Amit Sanghvi
Managing Director
DIN: 00022444

London, United Kingdom
30 May 2022

Ashish Somani
Chief Financial Officer

Vadodara
30 May 2022

Preeti Sheth
Company Secretary

Vadodara
30 May 2022

Consolidated Cash Flow Statement for the year ended 31 March 2022

(in ₹ lacs)

Particulars		Note No.	Year ended 31 March 2022
A	**Cash flow from operating activities**		
	Profit before tax		4,653.38
	Adjustments for:		
	Depreciation and amortisation expense	3	2,653.74
	Gain on sale of property, plant and equipment	21	(2.70)
	Interest income	21	(225.27)
	Interest component on account of Fair valuation of loan	21	(77.83)
	Provision of slow and non-moving inventory	8	70.48
	Finance costs	24	1,694.48
	Allowance for expected credit losses	26	109.15
	Net unrealised exchange gain	21	(157.81)
	Provision for doubtful advances to supplier	26	87.46
	Operating profit before working capital changes		**8,805.08**
	Adjustments for:		
	Increase in trade receivables	9	(3,324.85)
	Increase in other receivables and advances	7	(316.02)
	Increase in inventories	8	(4,526.15)
	Decrease in other financial assets	6	166.77
	Decrease in trade payables	18	3,897.26
	Decrease in other liabilities and provisions	17	1,439.64
	Cash generated from operations		**6,141.73**
	Taxes paid (net of refunds)		(640.89)
	Net cash generated from operating activities		**5,500.84**
B	**Cash flow from investing activities**		
	Payment for purchases of property, plant and equipment (including capital advances and capital creditors)	3	(11,107.36)
	Payment for purchases of intangibles and Intangibles under development		(970.94)
	Proceeds from disposal of property, plant and equipment	3	6.50
	Interest received	21	155.07
	Investment in Fixed Deposit	11	(997.78)
	Net cash flow (used in) investing activities		**(12,914.51)**
C	**Cash flow from financing activities**		
	Proceeds from long-term borrowings		1,380.00
	Repayment of long-term borrowings		(2,706.09)
	Repayment of working capital loans (net)		(1,181.30)
	Proceeds from issue of preferential share capital		14,966.51
	Repayment on lease liabilities		(49.10)
	Finance costs paid	24	(1,581.42)
	Net cash flow generated from financing activities		**10,828.60**

Consolidated Cash Flow Statement for the year ended 31 March 2022

(in ₹ lacs)

Particulars		Note No.	Year ended 31 March 2022
D	**Net increase in cash and cash equivalents**		3,414.93
	Cash & cash equivalents as at beginning of the year		98.25
	Impact of exchange loss		1.54
	Cash & cash equivalents as at end of the year		**3,514.72**
	Reconciliation of cash & cash equivalents as per financial statement :		
	Cash & cash equivalents comprise :		
	a) Balances with banks		
	In current accounts		559.35
	In EEFC accounts		152.43
	b) Cash on Hand		2.94
	c) Deposits with bank (Original maturity less than 3 Months)		2,800.00
	Total		**3,514.72**

(i) 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

(ii) Change in Liabilities arising from Financing Activities:

Analysis of changes in net debt	As at 31 March 2021	Cash inflow/ (outflow)	Non - cash		As at 31 March 2022
			Fair value adjustments (including foreign exchange rate movements)	Others on account of debt issuance cost	
Current Borrowings (including Cash Credit/ Packing Credit)	4,487.17	(1,181.30)	-	-	3,305.87
"Non-Current Borrowings (including current maturities of Non-Current Borrowings)"	15,469.20	(1,326.09)	(46.75)	(22.40)	14,073.96
Net debt	19,956.37	(2,507.39)	(46.75)	(22.40)	17,379.83

(iii) Also refer note 10 for details of Cash and cash equivalents

In terms of our report attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231 W/W-100024

Jeyur Shah
Partner
Membership No: 045754

Brisbane, Australia
30 May 2022

For and on Behalf of the Board of Directors

Shaily Engineering Plastics Limited
CIN : L51900GJ1980PLC065554

Mahendra Sanghvi
Executive Chairman
DIN: 00084162
Vadodara
30 May 2022

Amit Sanghvi
Managing Director
DIN: 00022444
London, United Kingdom
30 May 2022

Ashish Somani
Chief Financial Officer
Vadodara
30 May 2022

Preeti Sheth
Company Secretary
Vadodara
30 May 2022

Consolidated Statement of Changes in Equity for the year ended 31 March 2022

Equity share capital

(in ₹ lacs)

Particulars	Amount
As at 31 March 2021	**831.84**
Changes in equity share capital	85.51
As at 31 March 2022	**917.35**

Other equity

(in ₹ lacs)

Particulars	Reserves and surplus				Other components of equity		Total other equity
	Securities premium	General reserve	Capital reserve	Retained earning	Cash flow hedge reserve	Currency translation reserve	
As at 1 April 2021	**3,207.51**	**191.58**	**92.91**	**13,825.39**	**37.32**	**-**	**17,354.71**
***Addition during the Year**	14,881.01						**14,881.01**
Profit for the year		**-**	**-**	**3,526.63**	**-**	**-**	**3,526.63**
Other comprehensive income/(Loss) (Net of tax)	-	-	-	(15.68)	47.62	(12.00)	19.94
Total comprehensive income for the year	14,881.01	-	-	3,510.95	47.62	(12.00)	18,427.58
As at 31 March 2022	**18,088.52**	**191.58**	**92.91**	**17,336.34**	**84.94**	**(12.00)**	**35,782.29**

* Addition during the year is net off share issue expenses of ₹ 35 lacs on account of preferential issue of equity shares.

Nature and purpose of other reserves

1. Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act,2013. During the year Company issued 8,55,072 Equity Shares of face value of ₹ 10/- each fully paid-up, at an issue price of ₹1,755/- per equity share (inclusive of premium of ₹1,745/- per equity share)

2. General reserve

The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

3. Capital reserve

Capital reserve relates to the balance towards merger of Anmol Trading Company on 1 April 2001.

4. Cash flow hedge reserve

The Company has designated its hedging instruments as cash flow hedges and any effective portion of cashflow hedge is maintained in the said reserve. In case the hedging becomes ineffective, the amount is recognised in the Statement of Profit and Loss.

In terms of our report attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231 W/W-100024

Jeyur Shah
Partner
Membership No: 045754

Brisbane, Australia
30 May 2022

For and on Behalf of the Board of Directors

Shaily Engineering Plastics Limited
CIN : L51900GJ1980PLC065554

Mahendra Sanghvi
Executive Chairman
DIN: 00084162

Vadodara
30 May 2022

Amit Sanghvi
Managing Director
DIN: 00022444

London, United Kingdom
30 May 2022

Ashish Somani
Chief Financial Officer

Vadodara
30 May 2022

Preeti Sheth
Company Secretary

Vadodara
30 May 2022

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

Note 1: Corporate Information

Shaily Engineering Plastics Ltd. ("the Group" or "the Company") is a public Group, limited by shares, incorporated and domiciled in India under the provisions of Companies Act, applicable in India, with its registered office in Savli, District Vadodara, Gujarat. Its equity shares are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. The Group is engaged in the manufacture of customised components made up of plastic and other materials and sale of design and development of medical equipments.

Note 2 - I: Significant accounting policies

a) Basis of preparation and measurement

i) First year of consolidation (Ind AS Schedule III)

On 28 September 2021, Shaily (UK) Ltd. was incorporated as a wholly owned subsidiary of the Company, having paid-up capital of GBP 2,00,000 (2,00,000 equity shares of GBP 1 each). With the incorporation of subsidiary, the Group is required to prepare consolidated financial statements for the first time for the year ended 31 March 2022. Ind AS schedule III requires that except in case of first financial statements laid before the Company after incorporation, the corresponding amounts (i.e. comparatives) for the immediately preceding period are to be disclosed in the financial statements including notes to accounts. Accordingly, the Group has presented consolidated financial statements for the year ended 31 March 2022 with no comparative figures since this being the first year of consolidation.

ii) Compliance with Ind AS

These consolidated financial statements of the group have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

iii) Historical cost convention

These financial statements have been prepared on the historical cost basis except for defined benefit plans - net defined benefit (asset) / liabilities which have been measured at fair value based on principles of Ind AS 19 -"Employee benefits" and certain financial assets and liabilities that are measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act.

b) Segment reporting

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

The board of directors assesses the financial performance and position of the Group, and makes strategic decisions. The managing director has been identified as being the chief operating decision maker. Refer Note 32 for segment information.

c) Foreign currency transactions and translations

(i) Functional and presentation currency

Items included in consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Indian rupee (₹), which is the group's functional and presentation currency.

(ii) Transactions and balances

Monetary items denominated in foreign currencies at the year-end are translated into the functional currency at the exchange rate prevailing on the balance sheet date.

Non-monetary items are carried at historical cost using the exchange rates on the date of transaction, other than those measured at fair value. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other incomes/expenses.

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

d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities

e) Revenue and income recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes discounts, incentives, volume rebates, goods & services tax and amounts collected on behalf of third parties. In determining the transaction price, the Group considers below, if any:

Variable consideration:

This includes discounts, incentives, volume rebates, etc. It is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

Contract balances

Trade receivables: A receivable represents the Group's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group delivers performance obligation under the contract.

Interest Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

Government grants

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

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

Export incentives

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 utilisation of such duty credit. The same forms part of other non-operating income of the Group.

f) Income tax

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

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

Deferred tax is provided, on all temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement of Profit and Loss.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

g) Leases

Ind AS 116 – Leases:

Ind AS 116 Leases replaces existing lease accounting guidance i.e. Ind AS 17 Leases. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received. Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is subsequently remeasured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset or is recorded in the Statement of Profit and Loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Group recognises the lease payments associated with these leases as an expense in Statement of Profit and Loss over the lease term. The related cash flows are classified as operating activities.

h) Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

i) Cash and cash equivalents

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

j) Inventories

Inventories are valued at cost or net realisable value, whichever is lower. The basis of determining cost for various categories of inventories is as follows:

Inventory	Cost Formula
Raw materials, components and packing materials	Weighted average cost basis.
Raw material in transit	At Cost to date
Work-in-process and Finished goods	Cost represents material, labour and manufacturing expenses and other incidental costs to bring the inventory in present location and condition.
Stores and Spares	First in first out.

k) Financial assets and liabilities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

A financial asset is recognised in the balance sheet when the Group becomes party to the contractual provisions of the instrument. At initial recognition, the Group measures a financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through statement of profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Subsequent measurement

For purpose of subsequent measurement, financial assets are classified into:

a) Financial assets measured at amortised cost;

b) Financial assets measured at fair value through other comprehensive income (FVTOCI);

c) Financial assets measured at fair value through statement of profit and loss (FVTPL).

The Group classifies its financial assets in the above mentioned categories based on:

a) The Group's business model for managing the financial assets;

b) The contractual cash flows characteristics of the financial asset.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Financial assets measured at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

a) The financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets; and

b) The asset's contractual cash flows represent SPPI.

Financial assets measured at fair value through the statement of profit and loss (FVTPL)

FVTPL is a residual category. Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a financial asset, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

a) The contractual rights to the cash flows from the financial asset have expired, or

b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through 'arrangement; and either:

   i) The Group has transferred substantially all the risks and rewards of the asset, or

   ii) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group assesses impairment based on expected credit loss (ECL) model to the following:

a) Financial assets measured at amortised cost;

b) Financial assets measured at fair value through other comprehensive income

Expected credit losses are measured through a loss allowance at an amount equal to:

a) The 12 month's expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

b) Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable which is adjusted for management's estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value.

The Group's financial liabilities include trade and other payables.

Subsequent measurement

a) Financial liabilities measured at amortised cost;

b) Financial liabilities subsequently measured at fair value through statement of profit and loss (FVTPL)

Trade and other payables

These amounts represent liability for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when, and only when, there is a legally enforceable right to offset the recognised amount and there is intention either to settle on net basis or to realise the assets and to settle the liabilities simultaneously.

l) Property, plant and equipment

Recognition and measurement

Items of PPE are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Capital work-in-progress is stated at cost. All the direct expenditure related to implementation including incidental expenditure incurred during the period of implementation of a project, till it is commissioned, is accounted as Capital work-in-progress and after commissioning the same is transferred / allocated to the respective item of PPE. Pre-operative costs, being indirect in nature, are expensed to the Statement of Profit and Loss as and when incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Any gain or loss on disposal of an item of PPE is recognised in the Statement of Profit and Loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives which are in accordance with Schedule II to the Companies Act, 2013. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other incomes/expenses.

Classes of assets and their estimated useful lives:

Nature	Useful Life
Temporary Structure	3
Factory Building	30
Plant & Machinery	15
Tools and Equipments	5-15
Electrical Installation	10
Furniture & Fixtures	10
Office equipment	5
Computer Hardware	3
Vehicles	8

m) Intangible assets

Recognition and measurement

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Statement of Profit and Loss as incurred.

Amortisation

Intangible assets are amortised over the estimated period of benefit i.e. 3 to 10 years.

n) Intangible assets under development

The Group expenses costs incurred during research phase to profit or loss in the year in which they are incurred. Development phase expenses are initially recognised as intangible assets under development until the development phase is complete, upon which the amount is capitalised as intangible asset.

o) Borrowings costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

p) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursements.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

a) A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;

b) A present obligation arising from the past events, when no reliable estimate is possible;

c) A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

q) Employees Benefits

(i) Short-term obligations

Liabilities for wages and salaries and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Long-term obligations

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service and measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields on government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

- defined benefit plans such as gratuity, and
- defined contribution plans such as provident fund and superannuation fund

a) Defined benefit plans

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.

Remeasurements of net defined benefit liability which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of asset ceiling (if any excluding interest) are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of the contributions and benefit payments.Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost or past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on settlement of a defined benefit plan when the settlement occurs.

b) Defined contribution plans

The Group pays provident fund contributions to publicly administered provident funds and employee state insurance corporation (ESIC) as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Superannuation Fund Contribution towards superannuation fund for qualifying employees as per the Group's policy is made to Life Insurance Corporation of India where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from contribution made on monthly basis.

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

r) Dividend

The Group recognises a liability to pay dividend to equity holders when the distribution is authorised, and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

s) Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the Group by the weighted average number of equity shares outstanding during the financial year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

t) Rounding of amounts

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

u) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the consolidated statement of profit and loss.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

v) Derivative and Hedging Activities

The Group uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations associated with borrowings (cash flow hedges). When the Group opts to undertake hedge accounting, the Group documents, at the inception of the hedging transaction, the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows or fair values of hedged items. The Group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges, is recognised through OCI and as cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in equity are reclassified to the Statement of Profit and Loss on settlement.

When the hedged forecast transaction results in the recognition of a non-financial asset, the amounts accumulated in equity with respect to gain or loss relating to the effective portion of the spot component of forward contracts, both the deferred hedging gains and losses and the deferred aligned forward points are included within the initial cost of the asset. The deferred amounts are ultimately recognised in the Statement of Profit and Loss as the hedged item affects profit or loss. When a hedging instrument expires, is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively and any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately transferred to the Statement of Profit and Loss.

Note 2 - II: Use of estimates and judgements

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

The area involving critical estimates or judgements is:

- **Employee benefit plans**

  The Group's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

- **Embedded lease arrangement**

  The Mould required with respect to the arrangement with customer for customise manufacturing, is identified as embedded lease arrangement, as per Note 41, considering commitment by the customer in agreement with the group. Over this period, customer commits to purchase definite quantity of product from the group at fixed price per unit, failing which customer commits to pay to the group for the unsold quantity of the product) at such fixed rate per unit.

- **Useful lives and residual value of property, plant and equipment**

  The Group reviews the useful life and residual value of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

- **Expected Credit Loss**

  In accordance with Ind AS 109, the Group follows 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL). The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rate are reviewed and changes in the forward-looking estimates are analysed.

- **Income taxes**

  Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

Note-3 Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

Note 3 - Property, plant and equipment

Particulars	Freehold Land	Leasehold Land (Refer note i)	Buildings	Plant and Machinery	Plant and Machinery - R&D	Electrical Installations	Electrical Installations - R&D	Tools and Equipment	Tools and Equipment - R&D	Furniture and Fixtures	Office Equipment	Computer Hardwares	Roads	Vehicles	Total	Capital work-progress
Gross carrying amount as 1 April 2021	**1,880.57**	**9.20**	**6,824.81**	**13,837.52**	**199.17**	**1,369.58**	**3.76**	**4,192.37**	**80.95**	**248.68**	**137.98**	**218.55**	**20.36**	**647.26**	**29,670.76**	**2,305.49**
Additions	-	-	3,004.08	5,926.66	-	425.08	-	2,877.19	-	208.68	69.01	95.89	-	30.25	12,636.84	11,943.42
Disposals/Capitalisation	-	-	-	(19.85)	-	-	-	-	-	-	-	-	-	(44.96)	(64.81)	(12,636.84)
Cost as at 31 March 2022	**1,880.57**	**9.20**	**9,828.89**	**19,744.33**	**199.17**	**1,794.66**	**3.76**	**7,069.56**	**80.95**	**457.36**	**206.99**	**314.44**	**20.36**	**632.55**	**42,242.79**	**1,612.07**
Accumulated Depreciation as at 1 April 2021	-	-	712.14	5,293.82	11.01	407.20	0.33	648.69	4.04	127.22	56.37	111.59	17.33	195.30	7,585.04	-
Depreciation for the year	-	-	282.07	1,487.63	10.50	148.88	0.36	351.56	4.72	27.91	27.58	64.16	0.67	76.44	2,482.49	-
Disposals	-	-	-	(27.19)	-	-	-	-	-	-	-	-	-	(33.82)	(61.01)	-
Accumulated Depreciation as at 31 March 2022	**-**	**-**	**994.21**	**6,754.26**	**21.51**	**556.08**	**0.69**	**1,000.24**	**8.76**	**155.13**	**83.95**	**175.75**	**18.00**	**237.92**	**10,006.52**	**-**
Net carrying amount as at 31 March 2022	**1,880.57**	**9.20**	**8,834.68**	**12,990.06**	**177.66**	**1238.58**	**3.07**	**6,069.31**	**72.91**	**302.23**	**123.04**	**138.69**	**2.36**	**394.63**	**32,236.27**	**1,612.07**

Notes:

(i) The Company has acquired land for 99 years lease with an option to continue for another 99 years.

(ii) Refer note 39 for assets pledged as security.

(iii) Refer note 35 for disclosure of contractual obligations for acquisition of plant, property and equipment.

(iv) Addition includes borrowing cost of ₹ 97.25 lacs (PY ₹ 369.46 lacs) capitalised using the rate base on specific borrowings ranging from 7.20% to 9.06%

(v) During the year ended 31 March 2022 capital work in progress includes mainly plant & machinery, tools and equipments, building, electrification and preoperative expenses for New business projects expansion

(vi) Addition during the year 31 March 2022 includes research and development assets (Tangible Assets) of ₹ Nil (PY ₹ 221.08 lacs)

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

Note 3A - Capital-Work-in Progress (CWIP) ageing Schedule for the year ended:

As on 31 March 2022:

(in ₹ lacs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	1,604.63	7.44	-	-	1,612.07
Projects temporarily suspended	-	-	-	-	-
Total	**1,604.63**	**7.44**	**-**	**-**	**1,612.07**

Note 3B - Right-of-use assets

(in ₹ lacs)

	Buildings	Total
Gross carrying amount as at 1 April 2021	-	-
Additions during the year	201.98	201.98
Acquisition through business combinations	-	-
Deductions / Adjustments during the year	**-**	**-**
Translation exchange difference	-	-
Gross carrying amount as at 31 March 2022	**201.98**	**201.98**
Accumulated depreciation as at 1 April 2021	-	-
Depreciation for the year	41.73	41.73
Deductions during the year	-	-
Translation exchange difference	-	-
Accumulated depreciation as at 31 March 2022	41.73	41.73
Net carrying amount as at 31 March 2022	**160.25**	**160.25**

(i) Lease contracts entered by the Company majorly pertains for building taken on lease to conduct its business in the ordinary course.

(ii) Lease expenses of ₹ 92.22 lacs recognised in statement of profit and loss in other expenses for the year ended 31 March 2022 towards short-term leases, lease of low value assets and variable lease rental not included in measurement of lease liability.

(iii) Extension and termination options are included in some of the lease contracts. These are used to maximise operational flexibility in terms of managing assets used in Company's operations.

(iv) Lease obligations, interest expense on lease, maturity profile of lease obligation and payment of lease obligations are disclosed respectively in Balance Sheet, Finance cost.

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

Note 4 - Intangible assets

Particulars	Copyright & Patents	Computer Software	Computer Software - R&D	Total (A)	Intangible under development (B)
Cost as at 1 April 2021	**459.09**	**352.16**	**28.92**	**840.17**	**731.27**
Additions	406.67	22.67	-	429.34	541.59
Capitalisation	-	-	-	-	(22.67)
Cost as at 31 March 2022	**865.76**	**374.83**	**28.92**	**1,269.51**	**1,250.19**
Accumulated amortisation as at 1 April 2021	94.08	139.81	8.10	241.99	-
Amortisation charge for the year	41.84	83.83	3.79	129.46	-
Accumulated amortisation as at 31 March 2022	**135.92**	**223.64**	**11.89**	**371.45**	**-**
Net carrying amount as at 31 March 2022	**729.85**	**151.19**	**17.03**	**898.06**	**1,250.19**

(i) Additions during the year ended 31 March 2022 includes research and development assets (Intangible assets) of ₹Nil (PY ₹ 11.38 lacs) and net block of ₹ Nil (PY ₹ 9.67) lacs.

Note 4A - Intangible Assets under Development (IAUD) ageing Schedule for the year ended:

As on 31 March 2022:

(in ₹ lacs)

IAUD	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	516.42	340.97	242.31	150.49	1,250.19
Projects temporarily suspended	-	-	-	-	-
Total	**516.42**	**340.97**	**242.31**	**150.49**	**1,250.19**

Note 5 - Non-current investments

(in ₹ lacs)

Particulars	As at 31 March 2022
Investment in equity instruments (fully paid-up) at FVOCI (Unquoted)	
119000 Shares of Panax Appliances Pvt. Ltd. fully paid-up (PY : 119,000) Equity Shares of ₹10/- each	11.90
Less : Impairment allowances for investment	(11.90)
325 Shares of The Citizen Co-Operative Credit Society Ltd., fully paid-up (PY 325) Equity shares of ₹ 25 each	0.08
Total Investment in Equity	**0.08**
Investment in Preference shares (fully paid up) at amortised cost (Unquoted)	
871,000 6 % Cummulative Redeemable Preference Shares of ₹ 4/- each of Panax Appliances Pvt. Ltd. fully paid up (PY : 871,000 at ₹ 4/- each)	27.04
Less : Impairment allowances for investment	(27.04)
Total investment in preference shares	**-**
Total investments	**0.08**
Aggregate amount of unquoted investments	39.02
Aggregate amount of Impairment in value of investment	38.94

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

Note 6 - Other financial assets

(in ₹ lacs)

Particulars	As at 31 March 2022
Non-current	
Finance lease receivable	-
Security deposits	51.08
Derivative asset	290.83
Total non-current	**341.91**
Current	
Interest accrued on deposits	76.75
Finance lease receivable	221.01
Derivative asset	182.16
Total current	**479.92**

Note 7 - Other assets

(in ₹ lacs)

Particulars	As at 31 March 2022
Non-current	
Capital advances	825.98
Prepaid expenses	19.69
Balances with government authorities	155.40
Total Non-Current	**1,001.07**
Current	
Prepaid expenses	312.59
Contract assets*	527.20
Advance to suppliers	375.42
Advance to employees	9.11
Balances with government authorities	2,276.24
Total Current	**3,500.56**

*Classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Note 8 - Inventories (Valued at lower of cost and net realisable value)

(in ₹ lacs)

Particulars	As at 31 March 2022
Raw materials and components	5,548.32
(Goods in transit ₹ 1089.93 lacs 31 March 2022)	
Work-in-progress	1,727.17
Finished goods	3,127.37
Stores and spares	333.21
Packing materials	406.46
Total	**11,142.53**

The Company follows suitable provisioning norms for written down the value of inventories towards slow moving and non-moving inventory. Provision for the slow moving and non-moving inventories during the year is ₹ 70.48 lacs.

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

Note 9 - Current financial Asset - Trade receivables

(in ₹ lacs)

Particulars	As at 31 March 2022
a) Trade Receivable considered good - Unsecured	10,169.12
b) Trade Receivable which have been Significant increase in Credit Risk	162.97
Less : Allowance for expected credit loss	(162.97)
Total	**10,169.12**

(i) Trade Receivable ageing schedule for the year ended:

As on 31 March 2022:

(in ₹ lacs)

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	7,579.41	2,222.04	328.81	12.61	18.27	7.98	10,169.12
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	19.13	33.03	90.66	3.56	11.55	5.04	162.97
	7,598.54	**2,255.07**	**419.47**	**16.17**	**29.82**	**13.02**	**10,332.09**
Less : Allowance for expected credit loss							**(162.97)**
Total							**10,169.12**

Note 10 - Cash and cash equivalents

(in ₹ lacs)

Particulars	As at 31 March 2022
a) Balances with banks	
In current accounts	559.35
In EEFC accounts	152.43
b) Cash on Hand	2.94
c) Deposits with bank (Original maturity less than 3 Months)	2,800.00
Total	**3,514.72**

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

Note 11 - Bank balances other than cash and cash equivalents

(in ₹ lacs)

Particulars	As at 31 March 2022
In earmarked accounts	
Unpaid dividend accounts	2.77
Balances held as margin money (less than 12 months but more than 3 months maturity)*	388.38
Deposits with bank	800.00
Total	**1,191.15**

* Balance held as margin money are pertaining to deposits marked as lien against letter of credit and bank guarantee.

Note 12 - Loans (Unsecured, considered good)

(in ₹ lacs)

Particulars	As at 31 March 2022
Current	
Loan to Employees	24.62
Total	**24.62**

Note 13 (a) - Share capital

The authorised, issued, subscribed and fully paid-up share capital comprises of the following:

(i) Authorised share capital

Particulars	Number of shares	Amount
As at 31 March 2022 (Equity shares of ₹ 10 each)	**16,000,000**	**1,600.00**

(ii) Issued,Subscribed & fully paid-up

Particulars	Number of shares	Amount
As at 31 March 2022 (Equity shares of ₹ 10 each)	**9,173,502**	**917.35**

(iii) Reconciliation of number of shares

Particulars	As at 31 March 2022	
	Number of shares	Amount ₹ lacs
Equity shares		
Opening balance	8,318,430	831.84
Issued during the year*	855,072	85.51
Closing balance	9,173,502	917.35

* The Company has allotted additional 8,55,072 Equity shares of ₹ 10 each to Non promoter entities on preferential allotment basis under Chapter V of SEBI (Issue of Capital and Disclosure) Requirements, Regulations, 2015 at a price of ₹ 1,755 per share (inclusive of premium of ₹1,745/- per equity share). Pursuant to this allotment, the paid-up equity share capital of the company has increased from 83,18,430 of ₹ 10 each to 91,73,502 of ₹ 10 each.

(iv) Terms and rights attached to equity shares

The Company has only one class of equity shares having face value of ₹ 10 each. Each holder of Equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company.

The distribution will be in proportion to the number of equity shares held by the shareholders.

(v) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2022	
	Number of shares	% Holding
Mahendra Sanghvi	1,036,335	11.30%
Tilottama Sanghvi	1,287,715	14.04%
Laxman Sanghvi	476,424	5.19%
Jayessh Shah	762,231	8.31%
Ashish Kacholia	599,696	6.54%
HDFC Small Cap Fund	688,502	7.51%
Light house India III Equity Investors Ltd.	507,198	5.53%

(vi) Disclosures of Shareholding of Promoters - Shares held by the Promoters:

Particulars	As at 31 March 2022		% Change
	No. of Shares	% of total shares	during the year
Mahendra Sanghvi	1,036,335.00	11.30%	1.54%
Laxman Sanghvi	476,424.00	5.19%	(0.53%)
Tilottama Sanghvi	1,287,715.00	14.04%	(1.44%)
Amit Sanghvi	60,658.00	0.66%	(0.07%)
Jayessh Shah	762,231.00	8.31%	(0.85%)
Kalpana Sanghvi	75,300.00	0.82%	(0.08%)
Ramesh Shah	11,178.00	0.12%	(0.04%)
Purnima Shah	10,008.00	0.11%	(0.01%)
Lax Nagda	208,702.00	2.28%	(0.23%)
Shaily Sanghvi	90,000.00	0.98%	(0.10%)
Total	**4,018,551.00**	**43.81%**	

(vi) No equity shares are issued as bonus shares or for consideration other than cash or have been bought back in previous five financial years

Note 13 (b) - Other Equity

(in ₹ lacs)

	Particulars	As at 31 March 2022
(a)	**Securities premium**	
	Opening balance	3,207.51
	Addition During the Year	14,916.01
	Utilised	(35.00)
	Closing balance	18,088.52
(b)	**Capital reserve**	
	Opening balance	92.91
	Transfer from/to retained earnings	-
	Issue of bonus shares	-
	Closing balance	92.91
(c)	**General reserve**	
	Opening balance	191.58
	Transfer from/to retained earnings	-
	Issue of bonus shares	-
	Closing balance	191.58

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

(in ₹ lacs)

Particulars	As at 31 March 2022
(d) Retained earnings	
Opening balance	13,825.39
Profit for the year	3,526.63
Item of other comprehensive income	(15.68)
Dividends paid (including dividend distribution tax)	-
Closing balance	17,336.34
(e) Cash flow hedge reserve	
Opening balance	37.32
Addition during the year	47.62
Closing balance	84.94
(f) Currency translation reserve	
Opening balance	-
Addition during the year	(12.00)
Closing balance	(12.00)
Total	**35,782.29**

For details of nature and purpose of each reserve, please refer Statement of changes in equity.

Note 14 - Non-Current borrowings

(in ₹ lacs)

Particulars	As at 31 March 2022
Secured	
Term loans:	
Rupee currency from banks	8,091.66
Foreign currency from banks	2,037.13
Vehicle loan	16.83
Unsecured*	
Loan from directors	13.85
Total	**10,159.47**

*Refer Note No 33 on Related Party Disclosure

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

	Maturity and terms of repayment	Coupon Rate	As at 31 March 2022
Term loans			
Rupee Currency		7.20% to 8.60% PY 7.25% to 12.35%	11,014.64
HDFC Term loan	TL-3 Quarterly installment of ₹ 166.67 lacs till January 2025 TL-4 Quarterly installment of ₹ 111.11 lacs from April 2021 till July 2025 TL New - Quarterly installment of ₹ 83.31 lacs from April 2021 till July 2025 GECL WCDL Loan - Monthly installment of ₹ 30.94 lacs from April 2022 till March 2026		
SBI	TL-2 Quarterly installment of ₹ 190 lacs from Dec 2021 to Mar 2022, remaining quarterly installments of ₹195 lacs from Jun 2022 to Mar 2026 TL 8 Cr - Quarterly installment of ₹ 4.00 lacs from Mar 2022 till Dec 2026 GECL WCDL Loan - Monthly installment of ₹ 12.08 lacs from Oct 2022 till Sep 2026		
SCB	GECL WCDL Loan - Monthly installment of ₹ 7.91 lacs from Apr 2022 till Mar 2026		
SCB	ECB-1 Quarterly installment of Euro 1.25 lacs From May 2021 till Feb 2025 ECB-2 Quarterly installment of Euro 1.56 lacs from Aug 2021 till May 2025	3 months EURIBOR + 3% PY 3 months EURIBOR + 3%	2,989.55
Other Loans (Vehicle Loans)	Monthly installment of ₹ 2.99 lacs till Nov 2022 Monthly installment of ₹ 0.91 lacs till Dec 2023 Monthly installment of ₹ 0.62 lacs till Jun 2024	7.81% to 9.06% PY 7.81% to 9.06%	55.92
Total long-term borrowings			14,060.11
Less: Current maturities of long-term borrowings (included in note 15)			(3,914.49)
Loan from directors		12.50% PY 12.50% "	13.85
Total non-current borrowings			**10,159.47**

Security-

Term loans from banks are secured by first pari passu charge over entire property, plant and equipments of the Company and second pari passu charge over entire current assets of the company.

Foreign Currency Loan from Bank is secured by first pari passu charge with existing term lender over entire property, plant and equipment of the Company and second pari passu charge on all the current assets with all existing working capital lenders.

Also refer to Note No. 38 & 39 for further details.

In case of other loans (Vehicle Loans), Vehicles purchased are hypothecated with the lender.

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

Note 15 - Current borrowings

(in ₹ lacs)

Particulars	As at 31 March 2022
Loans repayable on demand (Secured)	
From banks	
Cash credit /Packing credit	2,413.78
Current maturities of long-term borrowing (Refer note 14)	3,914.49
Bill discounting	892.08
Total	**7,220.35**

Cash credit /Packing credit and bill discounting facilities from banks are secured by hypothecation of all current assets of the Company, present and future, such as inventories,receivables, loans and advances, etc. Cash credit /Packing credit and bill discounting are further secured by second pari passu charges over entire property, plant and equipments of the Company.

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

Note 16 - Provisions

Employee Benefit Provisions

(in ₹ lacs)

Particulars	As at 31 March 2022
Non-Current	
Provision for compensated absences	182.16
Total Non-Current	**182.16**
Current	
Provision for compensated absences	89.68
Total Current	89.68

Defined contribution plans

The Company makes Provident Fund and Superannuation Fund Contributions to defined contribution plans for qualifying employees. The Provident fund plan is operated by the Regional provident fund Commissioner. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary (i.e @12% is employer's contribution and @12% employee's contribution) as per regulations.

The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The Company recognised for year ended 31 March 2022 ₹362.46 lacs for Provident Fund contributions, contribution towards Employee State Insurance scheme and other funds in the Statement of Profit and Loss.

Defined benefit plans

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972.

Compensated absences

Provision for compensated absences covers the liability for sick and earned leave. Compensated absences that are not expected to occur within twelve months after the end of the period in which the employee renders the related services are measured at the present value of expected future payments to be made in respect of such services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. The amount recognised towards compensated absences in statement of Profit and Loss during the year is ₹ 102.38 lacs.

Valuations of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit plans which are as follows:

(i) Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus, result in an increase in the value of the liability (i.e. value of defined benefit obligation).

(ii) Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(iii) Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

(iv) Investment Risk : The Company has funded with HDFC Insurance fund, therefore there is no significant Investment risk.

Gratuity

Particulars		As at 31 March 2022
		Gratuity (Funded)
(i)	Change in defined benefit obligation	
	Balance at the beginning of the year	518.34
	Adjustment of:	
	Current Service Cost	38.01
	Past Service Cost	-
	Interest Cost	28.91
	Actuarial (gains) losses recognised in Other Comprehensive Income:	
	- Change in Financial Assumptions	(10.04)
	- Change in Demographic Assumptions	-
	- Experience Changes	21.94
	Benefits Paid	(12.87)
	Balance at the end of the year	584.29

Particulars		As at 31 March 2022
		Gratuity (Funded)
(ii)	Change in fair value of assets	
	Balance at the beginning of the year	523.75
	Re-measurements due to:	
	Actual Return on plan assets less interest on plan assets	(9.05)
	Interest income	30.44
	Contribution by the employer	-
	Benefits Paid	(12.87)
	Balance at the end of the year	532.27
(iii)	Net asset / (liability) recognised in the Balance sheet	
	Present value of defined benefit obligation	584.29
	Fair value of plan assets	(532.27)
	Net (asset) / liability in the Balance sheet	52.02

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

Particulars	As at 31 March 2022 Gratuity (Funded)
(iv) Expenses recognised in the statement of Profit and loss	
Current service cost	38.01
Interest cost	(1.54)
Total expense charged to statement of Profit and loss	36.47
(v) Re-measurements recognised in other comprehensive Income	
Changes in financial assumptions	(10.04)
Experience adjustments	21.94
Actual return on plan assets less interest on plan assets	9.06
Amount recognised in other comprehensive Income (OCI):	20.96

Particulars	As at 31 March 2022
Present value of funded obligations	584.29
Fair value of plan assets	532.27
(Surplus) of funded plan	52.02
Unfunded plan	-
(Surplus) of Gratuity plan	52.02

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

Gratuity

Particulars	As at 31 March 2022
Insurer managed funds (funded with HDFC Insurance fund)	532.27
Total	**532.27**

Major category of plan assets as a % of plan assets :

Particulars	As at 31 March 2022
Debentures/Bonds	35.92%
Govt Securities	61.42%
Deposits , Money Market Securities and Net Current Assets	2.66%
Total	**100.00%**

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Gratuity

Particulars	As at 31 March 2022
Discount rate	6.80%
Salary escalation rate	5.00%
Withdrawal rates	60% at lower service reducing to 1% at higher service

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

	Change in assumption	Impact on defined benefit obligation *Increase /(decrease) in assumption*
	As at 31 March 2022	As at 31 March 2022
Discount rate	+/ -0.5%	(19.08) / 20.42
Salary escalation rate	+/ -0.5%	19.81 / (18.69)
Withdrawal Rate	+/ -10%	(0.72) / 1.00

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant.

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

Maturity Analysis

Particulars	Year 1	Year 2	Year 3-5	Year 6-10
31-Mar-22				
Defined Benefit Obligation	172.75	18.90	115.32	195.36

Compensated absences

The summary of the assumptions used in the valuations is given below:

Financial Assumptions

Particulars	As at 31 March 2022
Discount Rate (p.a)	6.80%
Salary Growth Rate (p.a)	5.00%
Withdrawal rates	60% at lower service reducing to 1% at higher service

Leave Availment & Encashment Rate

Particulars	As at 31 March 2022
Leave Availment Rate (p.a.)	1.00%

Note 17 - Other liabilities

(in ₹ lacs)

Particulars	As at 31 March 2022
Non-Current	
Advance from customers	162.05
Deferred income	10.93
Total Non-Current	172.98
Current	
Advance from customers.	2,201.67
Deferred income	1.46
Contract liabilities*	-
Statutory dues	72.26
Total Current	**2,275.39**

*Classified as non-financial liability as the contractual right to consideration is dependent on completion of contractual milestones.

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

Note 18 - Trade payables

(in ₹ lacs)

Particulars	As at 31 March 2022
(a) total outstanding dues of micro enterprises and small enterprises	958.84
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	7,597.24
Total	**8,556.08**

(i) Trade Payable ageing schedule for the year ended:

As on 31 March 2022:

(in ₹ lacs)

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	700.99	253.41	4.44	0.00		958.84
(ii) Others	-	4719.24	2808.76	68.91	0.33		7,597.24
Total	**-**	**5,420.23**	**3,062.17**	**73.35**	**0.33**	**-**	**8,556.08**

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

(in ₹ lacs)

Particulars		As at 31 March 2022
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	969.56
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	13.77
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	1,180.26
	- Amount of principal payments made to the supplier beyond the appointed day	1,180.26
	- Amount of interest payments made to the supplier beyond the appointed day	-
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	7.67
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	35.59
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	35.59

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

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

Note 19 - Other financial liabilities

(in ₹ lacs)

Particulars	As at 31 March 2022
Non-Current	
Deferred premium on derivative instrument	105.56
Total Non-Current	**105.56**
Current	
Current maturities of long-term borrowing (Refer note 14)	
Accrued interest payable	120.87
Unpaid dividends	2.77
Capital creditors	126.16
Trade/Security deposit received	1.00
Accrued expense	12.62
Employee liabilities	405.67
Deferred premium on derivative instrument	107.00
Derivative liability	-
Total Current	**776.09**

Note 20 - Revenue from operations

(in ₹ lacs)

Particulars	Year ended 31 March 2022
Sale of products	54,662.90
Sale of services	1,826.81
Other operating revenue	
Sale of scrap	136.96
Export incentives	3.77
Others.	-
Interest on finance lease	140.24
Total other operating revenue	280.97
Total	**56,770.68**

Note 21 - Other income

(in ₹ lacs)

Particulars	Year ended 31 March 2022
Interest Income on deposits	225.27
Interest Income on Income Tax refund	28.30
Profit on sale of Asset	2.70
Net gain on foreign currency transactions	492.44
Interest component on account of Fair valuation of loan	77.83
Other non-operating income	56.20
Total	**882.74**

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

Note 22(a) - Cost of material consumed

(in ₹ lacs)

Particulars	Year ended 31 March 2022
Opening stock	3,882.41
Add:Purchases	39,976.48
Less :Closing stock	(5,954.78)
Total	**37,904.11**

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

(in ₹ lacs)

Particulars	Year ended 31 March 2022
Inventories at the end of the year	
Finished goods	3,127.37
Work in progress	1,727.17
	4,854.54
Inventories at the beginning of the year	
Finished goods.	1,303.90
Work in progress.	1,396.02
	2,699.92
Net (increase) /decrease	**(2,154.62)**

Note 23 - Employee benefit expenses

(in ₹ lacs)

Particulars	Year ended 31 March 2022
Salaries, wages and bonus	3,716.63
Contributions to provident and other funds	362.46
Staff welfare expenses	253.83
Total	**4,332.92**

Note 24 - Finance costs

(in ₹ lacs)

Particulars	Year ended 31 March 2022
Interest expense on:	
Borrowings	1,519.88
Loans from related parties	1.73
Exchange difference on restatements of ECB to the extent considered as interest cost	36.97
Interest component on account of Fair valuation of loan	101.29
Interest expense on lease	12.11
Others	22.50
Total	**1,694.48**

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

Note 25 - Depreciation and amortisation expense

(in ₹ lacs)

Particulars	Year ended 31 March 2022
Depreciation of property, plant and equipment	2,482.49
Amortisation of intangible assets	129.46
Depreciation on right to use assets	41.73
Total	**2,653.68**

Note 26 - Other expenses

(in ₹ lacs)

Particulars	Year ended 31 March 2022
Stores and spares consumed	350.41
Subcontracting and labour charges	2,169.71
Repairs & maintenance	
- Building	39.23
- Plant & Machinery	663.99
- Others	153.01
Rent (Refer note 28)	92.22
Rates and taxes	64.31
Insurance	220.46
Conveyance expense	25.53
Postage and telephone expense	33.47
Printing and stationery	56.60
Vehicle expense	118.43
Legal and professional	140.61
Directors' sitting fees	30.53
Sales commission and Fees	81.56
Payments to auditors (Refer Note (i) below)	28.24
Travelling expense	241.56
Carriage outwards	456.33
Advertisement	34.80
Corporate social responsibility	61.18
Expected credit loss allowance	109.15
Testing fees	261.03
Bank charges	128.42
Miscellaneous expenses	316.46
Total	**5,877.24**

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

(in ₹ lacs)

Particulars	Year ended 31 March 2022
(i) Details of payment to auditors	
As auditors	
(A) Audit fees	12.25
(B) Limited Review	10.25
(C) Tax Audit	1.00
In other capacity	
For Other services	3.48
Total	**26.98**

Note 27 - Taxation

27 (a) - Income tax expense

(in ₹ lacs)

Particulars	Year ended 31 March 2022
Current tax	
Tax expense for current year	833.60
Tax expense pertaining to prior years	9.77
Total current tax expense	843.37
Deferred tax	
Deferred tax (benefit) / expense pertaining to current year	283.38
Total deferred tax expense/(benefit)	**283.38**
Total income tax expense recognised in current year	**1,126.75**

Income Tax Recognised in other comprehensive Income

(in ₹ lacs)

Particulars	Year ended 31 March 2022
Deferred Tax on items recognised in other comprehensive Income	
- Remeasurements of post employment benefit obligations	5.28
- Effective portion of gains on hedging instrument in cash flow hedges	(16.02)
Total current tax expense	**(10.74)**

27 (b) - Reconciliation of Estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

(in ₹ lacs)

Particulars	Year ended 31 March 2022
Profit for the period	**4,640.76**
Statutory tax rate applicable to Shaily Engineering Plastics Ltd.	25.170%
Tax expense at applicable tax rate	**1,168.08**
Tax effects of following in calculating taxable income:	
Additional deduction claimed under Income tax Act	(44.33)
Adjustment of previous year taxes including deferred tax	-
Expenses not allowed as per Income tax Act	18.89
Others	(15.89)
Income tax expense	**1,126.75**
Effective tax rate	**24.279%**

27 (c)- Deferred tax liabilities

The balance comprises temporary differences attributable to:

(in ₹ lacs)

Particulars	As at 31 March 2022
Deferred tax liabilities:	
Difference between accounting and tax written down value of PPE & Intangible assets	1,475.41
Other timing differences	53.67
Total deferred tax liabilities	**1,529.08**
Deferred tax assets:	
Adjustment on account of provision for expected credit loss	41.02
Other timing differences	170.47
Total deferred tax assets	**211.49**
Net deferred tax liabilities	**1,317.59**

Movement in deferred tax balances

Particulars	As at 31 March 2021	Charged/ (credited) to profit and loss	Charged/ (credited) to Other Comprehensive income	Adjustment	As at 31 March 2022
Deferred tax liabilities:					
Difference between Accounting and Tax written down value	1,168.80	306.60	-	-	1,475.40
Other timing difference	29.79	7.87	16.02	-	53.68
Total deferred tax liabilities	**1,198.59**	**314.47**	**16.02**	**-**	**1,529.08**
Deferred tax assets:					
Adjustment on account of provision for expected credit loss	13.55	27.47	-	-	41.02
Other timing differences	157.57	3.58	5.28	-	166.43
Total deferred tax assets	**171.12**	**31.05**	**5.28**	**-**	**207.45**
Net deferred tax liabilities	**1,027.47**	**283.42**	**10.74**	**-**	**1,321.63**

(in ₹ lacs)

Particulars	As at 31 March 2022
Deferred tax recognised in OCI related to Remeasurements of post employment	5.28
Deferred tax recognised in OCI related to effective portion of gains/(losses) on hedging instrument in cash flow hedges	(16.02)
Total	**(10.74)**

Note 28 - Lease

The Company's significant leasing arrangements are mainly in respect of office & godown. Leases typically run in a range from 11 months to 5 years, with an option to renew the lease after that date. The Company previously used to classify leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company.

"The Company has adopted Ind AS 116 ""Leases"" with effect from 1 April 2019 i.e. date of transition with modified prospective approach. The Company has elected to account for short-term and low value leases using the practical expedient as given in the standard. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss. The weighted average incremental borrowings rate of 7.86% has been applied to lease liabilities recognised in the balance sheet at the date of initial application. Company's short term and low value consists of office premises taken on lease for a period of 11 months months which are renewable by mutual consent or mutually agreed terms. The aggregate of such lease rentals are charged as ""Rent"".

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

The Company used following practical expedients when applying Ind AS 116 :

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term."

Accordingly, Right-of-Use asset and lease liability of ₹ 201.98 lacs has been recognised.

A. Amount recognised in Statement of Profit and Loss

(in ₹ lacs)

Particulars	For year ended 31 Mar 2022
Interest on lease liabilities	12.11
Amortisation of ROU Assets	41.73
Expenses relating to short term and low value leases charged as Rent	39.06

B. Amount recognised in the Statement of Cash Flows

(in ₹ lacs)

Particulars	For year ended 31 Mar 2022
Interest component	12.11
Lease component	36.99

C. Maturity Analysis of Lease Liabilities

(in ₹ lacs)

Particulars	31 March 2022
Maturity Analysis - Undiscounted	
Less than one year	44.38
One to five years	120.61
More than five years	-

Lease liabilities included in Balance Sheet

(in ₹ lacs)

Particulars	31 March 2022
- Current	44.38
- Non-Current	120.61

D. Movement of Right of Use Assets

Forming part of note to "Right of Use Assets" (refer note 3B).

E. Movement of Lease Liability

(in ₹ lacs)

Particulars	31 March 2022
Balance as at the beginning	-
Addition	201.98
Deduction	-
Finance cost accrued	12.11
Payment of lease liabilities	49.10
Balance as at the end	**164.99**

Note 29 - Financial Instruments

29 a) - Fair Value Measurement - Financial instruments by category

(in ₹ lacs)

Particulars	Amortised cost As at 31 March 2022
Financial assets	
Trade receivables	10,169.12
Cash and cash equivalents	3,514.72
Bank balances other than cash and cash equivalent above	1,191.15
Investment in Preference shares (Gross of allowance for impairment) (Refer note below) *	27.04
Loans and advances to employees	24.62
Other Financial Assets	348.84
Total financial assets - At amortised cost	**15,275.49**
Financial liabilities	
Borrowings	17,379.82
Trade Payables	8,556.08
Lease liabilities	164.99
Other Financial Liabilities	881.65
Total financial liabilities - At amortised cost	**26,982.54**

(in ₹ lacs)

Particulars	FVOCI As at 31 March 2022
Financial assets	
Equity shares of Panax Appliances Pvt. Ltd.(Gross of allowance for impairment)	11.90
Equity shares of Citizen Co-operative Society Ltd.	0.08
Derivative Asset	473.00
Total financial assets - At FVOCI	**484.98**
Financial liabilities	
Derivative liability	-
Total financial liabilities - At FVOCI	-

*Note:- Investment in subsidiary have been accounted at historical cost. Since these are scoped out of Ind AS 109 for the purpose of measurement, the same have not been disclosed in tables above.

29 b) Fair Value Measurement - Hierarchy

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

As at 31 March 2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Derivative Instruments					
Designated as Cash Flow Hedge	6	-	473.00	-	473.00
Financial Investments at FVOCI					
Equity Shares of Panax Appliances Pvt. Ltd.	5	-	-	11.90	11.90

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

As at 31 March 2022	Notes	Level 1	Level 2	Level 3	Total
Equity Shares of Citizen Co-operative Society Ltd.	5	-	-	0.08	0.08
Total Financial Assets		**-**	**473.00**	**11.98**	**484.98**
Financial liabilities					
Derivative Instruments					
Designated as Cash Flow Hedge	19	-	-	-	-
Total Financial liabilities		**-**	**-**	**-**	**-**

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

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

There were no transfers between any levels during the year.

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

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

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

29 c) Fair Value Measurement - Technique

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

The fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

29 d) Derivative Financial Instruments

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

(i) The details of various outstanding derivative financial instruments are given below :

(in ₹ lacs)

Particulars	As at 31 March 2022	
	Assets	Liabilities
Derivatives designated in cash flow hedges		
- Option contract	473.00	-
- Interest rate swap	-	-
Total designated derivatives	**473.00**	**-**

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

(ii) The details of the gross notional amounts of derivative financial instrument outstanding :

(in ₹ lacs)

Derivative instruments	Underlying	As at 31 March 2022
- Option contract	EUR/₹	€ 45.00 lacs
- Interest rate swap	Floating to Fixed	€ 45.00 lacs

(iii) The movement of cash flow hedges in other comprehensive income is as follows :

(in ₹ lacs)

Particulars	As at 31 March 2022
Balance at the beginning of the year	37.31
(Gain)/losses reclassified to profit or loss	-
Deferred tax on (gain)/losses reclassified to profit or loss	-
Change in the fair value of effective portion of cash flow hedges	63.64
Deferred tax on fair value of effective portion of cash flow hedges	(11.98)
Balance at the end of the year	**88.97**

Note 30 -Financial risk management

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

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

- protect the Company's financial results and position from financial risks;

- maintain market risks within acceptable parameters, while optimising returns; and

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

30 a) Management of credit risks

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

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited. This is due to the Company's policy of strict credit worthiness tests it performs for all its sales. Company deals with limited number of customers with highest credit ratings. Company acts as institutional supplier to its customers without any channel distribution model. Most of the company products are plastic moulded components, specially created as per the designs of its customer and are either semi finished goods or critical to business operations of its customers,

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

making it business prudent for customers for not to dispute or delay payment of any receivable to the Company. All trade receivables are regularly reviewed and assessed for default on an ongoing basis.

Expected credit loss for trade receivable under simplified approach

Ageing	Not due	0-90 days	91-180 days	181-270 days	271-360 days	More than 360 days	Total
Year ended 31 March 2022							
Gross carrying amount	7,415.62	2,202.80	235.19	18.41	401.06	59.01	10,332.09
Expected credit losses (Loss allowance provision)	19.13	16.30	16.73	2.29	88.37	20.15	162.97
Carrying amount of trade receivables	7,396.49	2,186.50	218.46	16.12	312.70	38.86	10,169.12

30 b) Management of liquidity risk:

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

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

(in ₹ lacs)

	Carrying amount	Less than 12 months	More than 12 months	Total
As at 31 March 2022				
Borrowings	17,379.81	7,220.35	10,159.47	17,379.82
Trade Payables	8,556.08	8,556.08	-	8,556.08
Lease liabilities	164.99	44.38	120.61	164.99
Other Financial liabilities	881.65	776.09	105.56	881.65
	26,982.53	**16,596.90**	**10,385.64**	**26,982.54**

30 c) Management of market risks

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

30 d) (i) Foreign currency risk

The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised Financial assets and liabilities denominated in a currency that is not the functional currency '(₹) of the Company. The management does not undertake any hedging activities or otherwise to offset or mitigate the foreign currency and interest rate risk that it is exposed to other than the hedging EUR ECB loan. The Company undertakes significant of its foreign currency transaction in United States Dollar ('US$'). To the extent of lower of exports and imports that the Company undertakes in US$, the Company has a natural hedge against the exposure to foreign currency risks. However, the Company has taken a EUR ECB Loan for which Currency Call Hedge has been undertaken.

The Company is exposed to foreign currency risks on accounts of foreign currency denominated receivables and payables as below:

(Amount in foreign & rupee currency in lacs)

As at 31 March 2022	US$	₹	EURO	₹	TWD	₹	GBP	₹	JPY	₹
Financial assets										
Trade receivable	31.24	2,370.96	0.19	15.65	-	-	-	-	-	-
Bank balance in EEFC accounts	2.01	152.43	-	-	-	-	-		-	
Exposure to foreign currency assets	**33.25**	**2,523.39**	**0.19**	**15.65**	**-**	**-**	**-**	**-**	**-**	**-**
Financial liabilities										
Trade payables	24.71	1,875.70	2.10	176.48	-	-	0.29	28.68	398.00	248.85
Borrowings	-	-	35.31	2,973.68	-	-	-	-	-	-
Less : Foreign currency hedged	-	-	(35.31)	(2,973.68)	-	-	-	-	-	-
Interest Payable on Foreign borrowings	-	-	0.29	24.75	-	-	-	-	-	-
Exposure to foreign currency risk liabilities	**24.71**	**1,875.70**	**2.39**	**201.23**	**-**	**-**	**0.29**	**28.68**	**398.00**	**248.85**

Sensitivity

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

(in ₹ lacs)

Currency Sensitivity	Impact on profit before tax As at 31 March 2022
US$ sensitivity	
₹/US$ -Increase by 1%*	6.48
₹/US$ -decrease by 1%*	(6.48)
EURO sensitivity	
₹/EURO -Increase by 1%*	(1.86)
₹/EURO -decrease by 1%*	1.86
GBP sensitivity	
₹/GBP -Increase by 1%*	(0.29)
₹/GBP -decrease by 1%*	0.29
JPY sensitivity	
₹/JPY -Increase by 1%*	(2.49)
₹/JPY -decrease by 1%*	2.49

*Holding all other variables constant

The outstanding HKD & TWD denominated balance being insignificant has not been considered for the purpose of sensitivity disclosures.

30 d) (ii) Interest rate risk

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

Currently, Interest rate on Term Loans are linked with Marginal Cost of funds based Lending Rate (MCLR) and to the extent of variation in MCLR, interest rates on terms loans are expected to be changed. The interest rates on Term loans which are linked with MCLR are reported in Note 14 - Non-current Borrowings.

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

The Company has taken a ECB loan of € 4.5Mn from the Standard chartered Bank, Dubai International Financials Branch, First of its drawdown being of € 2.0 Mn & the second drawdown being of €2.50 Mn. We have taken Interest rate swap for converting the floating interest rate to fixed rate and thus, hedging against risk of upward movement of EURIBOR rates.

For the year ended 31 March 2022 , a 10 basis point increase / decrease in interest rate on floating rate liabilities would impact Company's profit before tax by approximately 0.37 %.

Note 31 - Details of Government Grants

(in ₹ lacs)

Particulars	As at 31 March 2022
Government grants received by the Company during the year towards	
i.) Duty drawback (recognised under Export Incentive under Other revenue from operations)	3.77
ii.) Other incentives (Merchandise Exports from India Scheme and Focus Product Scheme the revenue of which has been recognised under Export Incentive)	-
iii.) Other Government Grant include grant received by the Company in respect to investment made by the Company in plant and equipment.	
A) Amount of grant received during the year	-
B) Amortised in statement of Profit and Loss	1.49
C) Unamortised portion of grant recorded as deferred income in current and non-current liabilities	12.39

Note 32 - Segment revenue

In accordance with the requirement of Ind AS 108 - "segment reporting", the Company is primarily engaged in the business of manufacturing of customised components made up of plastic and other materials and has no other primary reportable segments. The Board of Directors of the Company allocates the resources and assess the performance of the Company, thus, Chief Operating Decision Maker("CODM"). The CODM monitors the operating results of the business as a single segment hence no separate segment needs to be disclosed. Thus, the segment revenue, segment result, total carrying value of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, the total amount of charge for depreciation and amortisation during the year are all as reported in the financial statements for the year ended 31 March 2022 and as on that date.

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

(in ₹ lacs)

Revenue from sale of products and services	As at 31 March 2022
India	13,997.73
Outside India	42,491.98
Total Revenue from sale of products and services	**56,489.71**

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

(in ₹ lacs)

Non-current assets	As at 31 March 2022
India	37,697.34
Outside India	-
Total non-current assets	**37,697.34**

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

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

Note 33 - Related Party Transactions

33 a) Details of related parties

Description of relationship	Names of related parties
Key Management Personnel	
Executive Chairman	Mr. Mahendra Sanghvi
Managing Director	Mr. Amit Sanghvi
Executive Director	Mr. Laxman Sanghvi
Whole Time Director	Mrs. Tilottama Sanghvi
Chief Executive Officer	Mr. Anil Kalra upto April-2021
Other Related Parties	
Entities in which KMP have significant influence	Panax Appliances Pvt. Ltd.
Entities in which KMP have significant influence	Shaily-IDC India Pvt. Ltd.
Entities in which KMP have significant influence	Shaily Medical Plastics Pvt. Ltd.
Relative of key management personnel	Mrs.Kinjal Bhavsar
Relative of key management personnel	Mrs. Kalpana Sanghvi
Firm owned by relative of key management personnel	Jariwala Shah Kanji Raichand & Co

33 b) Key management personnel compensation

For the Year ended 31 March 2022	Total
Mr. Mahendra Sanghvi	126.08
Mr. Amit Sanghvi	133.74
Mr. Laxman Sanghvi	72.75
Mrs. Tilottama Sanghvi	64.19

Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long-term employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

33 c) Transactions with related parties

(in ₹ lacs)

Nature of Transaction	Year ended 31 March 2022
Rent paid for lease arrangements	
Mrs. Tilottama Sanghvi	8.40
Jariwala Shah Kanji Raichand & Co	7.08
Interest paid on loans	
Mr. Laxman Sanghvi	1.73
Remuneration	
Mrs Kinjal Bhavsar	17.89

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

33 d) Outstanding balances

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

(in ₹ lacs)

	As at 31 March 2022
Receivables	
Shaily Medical Plastics Pvt Ltd.	9.50
Total receivables to related parties	**9.50**
Trade Payables	
Panax Appliances Pvt Ltd	20.03
Unsecured Loans	
Mr. Laxman Sanghvi	13.85
Total payables to related parties	**33.88**

33 e) Terms and conditions :

(i) All outstanding balances are unsecured and are repayable/receivable in cash and all the transactions with these related parties are priced on an arms length basis

Note 34 - Contingent liabilities

(in ₹ lacs)

Particulars	As at 31 March 2022
(a) Income Tax	2.54
(b) Sales Tax	5.74
(c) Custom Duty	97.84
(d) Service Tax	212.65
(e) Excise Duty	3.22
(e) Workmen compensation	Amount Not determinable

It is not practical for the Company to estimate the closure of these issue and the consequential timing of cash flows, if any.

The Hon'ble Supreme Court of India ("SC") set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. In view of management, guidelines directed under SC judgement has been implemented w.e.f. 01 October 2019 and an additional financial liability for the period from 01 April 2019 to 30 September 2019 has been considered in provision. In addition, the SC judgement hasn't expressed whether this effect shall be prospectively or retrospectively, the impact before 01 April 2019, if any, is not ascertainable and consequently no financial effect has been provided for in the accounts. Accordingly, this has been disclosed as a contingent liability in the financial statements

Note 35 - Commitments

(in ₹ lacs)

Particulars	As at 31 March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for:	
- Tangible assets	362.68

Note 36 - Disclosure under Ind AS 115

(A) Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

(in ₹ lacs)

Particulars	As at 31 March 2022
Revenue as per contracted price	56,304.22
Adjustments :	
Rebates & Discounts	-
Revenue from contract with customers	**56,304.22**

(B) Contract balances:

The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

(in ₹ lacs)

Particulars	As at 31 March 2022
Trade receivables (net of allowances for expected credit loss)(Note 9)	10,169.12
Contract assets e.g. Unbilled Revenue (Note 7)	527.20
Contract liabilities e.g. Overbilled Revenue (Note 17)	-

Changes in contract assets and liabilities are mainly on account of contractual right to consideration and is dependent on completion of contractual milestones.

(C) Revenue recognised in relation to contract liabilities

Revenue to be recognised in future related to the performance obligations that are unsatisfied or partially satisfied as at 31 March 2021 and expected to be recognied within one year is of ₹ 400.634 lacs (P.Y. ₹ 2,211.53 lacs) and for more than one year is ₹ Nil lacs (P.Y. ₹ 335.12 lacs).

(in ₹ lacs)

Particulars	As at 31 March 2022
Amounts included in contract liabilities at the beginning of the year	295.54
Performance obligations satisfied in previous years, not previously recongnised	-

(D) Unsatisfied or partially satisfied Performance Obligation

Revenue to be recognised in future related to the performance obligations that are unsatisfied or partially satisfied as at 31 March 2021 and expected to be recognied within one year is of ₹ 2211.53 lacs (P.Y. ₹ 2588.81 lacs) and for more than one year is ₹ 335.12 lacs (₹ 481.25 lacs).

(E) Disaggregation of revenue

The management determines that the segment information reported under Note 32 - Segment reporting is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported.

(F) Significant payment terms

Generally, the Company provides credit period in the range of 30 -120 days for customers.

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

Note 37 - Earnings per share

(in ₹ lacs)

	Year ended 31 March 2022
Profit attributable to the equity holders of the Company	3,526.63
Less: Share issue expenses (net of taxes)	26.19
Profit attributable to the equity holders of the Company	3,500.44
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	8,763,536
Total basic & diluted earnings per share attributable to the equity holders of the Company	39.94

Note 38 - Offsetting financial assets and Liabilities

The below note presents the recognised financial instruments that are offset or subject to enforceable master netting arrangements and other similar arrangements and other similar agreements, but not offset as at 31 March 2022.

Collateral against borrowings

The Company has hypothecated / mortgaged financial instruments as collateral against a number of its borrowings. Refer note 39(assets pledged) for further information on financial and non-financial collateral hypothecated.

Note 39 - Assets pledged as security

(in ₹ lacs)

	As at 31 March 2022
Current (Present and Future)	
Second pari passu charge for all term loans and foreign currency loans from banks	
Inventories	11,142.53
Trade receivables	10,169.12
Cash and cash equivalents	3,514.72
Bank balances other than cash and cash equivalents	1,191.15
Balances with government authorities	2,276.24
Advance to suppliers	375.42
Advance to Employees	9.11
Interest accrued on deposits	76.75
Loan to employees	24.62
Finance Lease receivables	221.01
Derivative asset	182.16
Prepaid expense	312.59
Contract assets	527.20
Total current assets pledged as security	**30,022.62**
Non-Current	
First pari passu charge for all term loans and foreign currency loans from banks	
Property, plant and equipment	32,236.27
Capital work-in-progress	1,612.07
Total	**33,848.34**

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

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

Name of the party	Relationship	Nature	As at 31 March 2022
Shaily Medical Plastics Private Ltd.	Significant Influence of KMP	Outstanding Balance	9.50
		Maximum Balance Outstanding	9.50

The above advance has been given for business purpose

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

(in ₹ lacs)

Particulars	As at 31 March 2022
Money received from Director during the year	-
Balance outstanding at the end of the year	13.85

Note 40 - Note on Finance Leases

The Company has entered into Purchase Agreements with its customers for Various Moulds.The agreements with customers for these assets Provide for take or pay agreements as per which Customers are Committed to purchase committed Quantity of the Component from the Company over defined period of the time failing which customers are obliged to reimburse the company for the shortage in minimum Committed quantity. The arrangement analysis pursuant to IND As 116 "lease" Identified an embedded finance lease and accordingly, the said arrangement has been accounted accordingly (Refer Note 6)

Amount receivable under Finance Lease

(in ₹ lacs)

	Minimum Lease receivable	Present value of minimum lease payments
	As at 31 March 2022	As at 31 March 2021
Not later than one year	307.65	221.01
Later than one year and not later than five years	-	-
Later than five years		
	307.65	221.01
Unearned finance income	86.64	-
Present value of minimum lease payments receivable	221.01	221.01
Allowance for uncollectible lease payments	-	-

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

The average effective interest rate contracted is about 37.50 % per annum.

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

Note 41 - Capital Management

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

(in ₹ lacs)

Particulars	As at 31 March 2022
Total Debt (Bank and other borrowings)	17,379.82
Less: Liquid Investments and bank deposits	4,705.96
Net Debt	12,673.86
Total Equity	36,699.64
Net Debt to Equity (Net)	0.36

Note 42 - Reclassification as per amendments in Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021. Consequent to above, the Company has changed the classification/presentation of (i) security deposits (ii) current maturities of long-term borrowings, in the current year. The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1.

(i) Security deposits amounting to ₹ 51.08 lacs have been reclassified from "Loans" under Non-current financial assets to "Other financial assets" under Non-current financial assets. (Refer note 6)

(ii) Current maturities of long-term borrowing amounting to ₹ 3,914.49 lacs have been reclassified from "Other financial liabilities" under Current financial liabilities to "Borrowings" under Current financial liabilities. (Refer note 15)

Note 43 - Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

Note 44

The Indian Parliament has approved the Code on Social Security, 2021 ('Code') which may likely to impact the contributions made by the Company towards Provident Fund and Gratuity. The Company will assess the impact and its evaluation once the corresponding rules are notified and will give appropriate impact in the standalone financial statements in the period in which the Code becomes effective and the related rules are notified.

Note 45

All material events occurring after the balance sheet date upto the date of approval of financial statements by the Board of Directors on 30 May 2022, have been considered, disclosed and adjusted, wherever applicable, as per the requirements of Ind AS 10 - Events after the Reporting Period.

Note 46

The financial statements are approved for issue by the Board of Directors in their meeting held on 30 May 2022.

Note 47 - Additional Information as required by Paragraph 2 of Part III - General Instruction for Preparation of CFS of Schedule III of the Companies Act, 2013:

Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit or (loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	% of consolidated net assets	₹ In lacs	% of consolidated profit	₹ In lacs	% of consolidated OCI	₹ In lacs	% of consolidated TCI	₹ In lacs
Parent :	100.00%	36,699.02	99.73%	4,640.76	100.00%	31.94	99.65%	3,545.95
Wholly owned subsidiary: Shaily (UK) Ltd.	2.48%	908.40	0.27%	12.63	0.00%	-	0.35%	12.63
Adjustments arising out of consolidation	-2.48%	(911.80)	0.00%	-	0.00%	-	0.00%	-
Total	**100.00%**	**36,695.62**	**100.00%**	**4,653.39**	**100.00%**	**31.94**	**100.00%**	**3,558.58**

Note 48 - Principles of Consolidation

These Consolidated Financial Statements (CFS) are prepared in accordance with Ind AS on "Consolidated Financial Statements" (Ind AS – 110) and "Disclosure of interests in other entities" (Ind AS – 112), specified under Section 133 of the Companies Act, 2013.

Notes forming part of the Consolidated financial statements as at and for the year ended 31 March 2022

Note 49 - Impact on COVID - 19

The spread of COVID-19 has severely impacted business around the globe. In many countries including India, there has been severe disruption to regular business operations due to lockdown, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures.

The Company has made detailed assessment of its liquidity position for the next one year and the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible Assets, Finance Lease Receivables, Trade Receivables, Other Receivables and Inventory as at the balance sheet date and has concluded that there is no material adjustments required in the Financial Statements.

Management believes that it has considered all the possible impact of known events arising from COVID -19 pandemic in the preparation of the financial Statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

In terms of our report attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231 W/W-100024

Jeyur Shah
Partner
Membership No: 045754

Brisbane, Australia
30 May 2022

For and on Behalf of the Board of Directors

Shaily Engineering Plastics Limited
CIN : L51900GJ1980PLC065554

Mahendra Sanghvi	**Amit Sanghvi**	**Ashish Somani**	**Preeti Sheth**
Executive Chairman	Managing Director	Chief Financial Officer	Company Secretary
DIN: 00084162	DIN: 00022444		
Vadodara	London, United Kingdom	Vadodara	Vadodara
30 May 2022	30 May 2022	30 May 2022	30 May 2022

Form AOC-1

[Pursuant to first proviso of sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries or associate companies or Joint Ventures

Name of subsidiary	**:**	**Shaily (UK) Ltd.**
Date on which subsidiary was acquired	:	15 September 2021
Reporting Currency	:	GBP
Exchange Rate	:	Note 6

Sr. No.	Particulars		Amount (₹ in lacs)
1.	Share Capital[5]	:	911.80
2.	Reserves & Surplus	:	(3.40)
3.	Total Assets	:	1,070.13
4.	Total Liabilities	:	161.74
5.	Investments	:	-
6.	Turnover	:	185.51
7.	Profit before Taxation	:	12.63
8.	Provision for taxation	:	-
9.	Profit after taxation	:	12.63
10.	Proposed Dividend	:	-
11.	% of shareholding	:	100%

Notes :

1. Name of subsidiaries which are yet to commence operations: Not Applicable
2. Name of subsidiaries which have been liquidated or sold during the year : Not Applicable
3. Reporting period of the subsidiary is same that of the Holding Company i.e. of Shaily Engineering Plastics Ltd..
4. There are no Associates/Joint Ventures of the Company.
5. As on 31st March, 2022, Share Capital of Shaily (UK) Ltd. consists of 2,00,000 equity shares of GBP 1/- each fully paid up and 7,00,000 non-convertible preference shares of GBP 1/- each fully paid up.
6. Exchange Rate for items in the above table at Sr. No. 1 is 1 GBP = ₹ 101.31, for Sr. No. 2, 6,7,9 is 1 GBP = ₹100.94, for Sr. 3 & 4 is 1 GBP = 99.55.

For and on Behalf of the Board of Directors

Shaily Engineering Plastics Limited
CIN : L51900GJ1980PLC065554

Mahendra Sanghvi
Executive Chairman
DIN: 00084162

Vadodara
30 May 2022

Amit Sanghvi
Managing Director
DIN: 00022444

London, United Kingdom
30 May 2022

Ashish Somani
Chief Financial Officer

Vadodara
30 May 2022

Preeti Sheth
Company Secretary

Vadodara
30 May 2022

Notes

Regd. Office & Rania Facility
Survey No. 363/364/366, Rania,
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Halol-I
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Halol-II Complex
Survey No. 209/1, 209/5, 208/1, 209/2, 209/3,
213/1, 210/5, 212/5, 213/2, 213/3, 209/4,
Village Chandrapura, Halol-389 350
Dist. Panchmahal, Gujarat, India