

B S R & Associates LLP

Chartered Accountants

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Independent Auditor's Report on annual financial results of Shaily Engineering Plastics Limited under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO THE BOARD OF DIRECTORS OF SHAILY ENGINEERING PLASTICS LIMITED

Report on the audit of the Annual Financial Results

Opinion

We have audited the accompanying annual financial results of Shaily Engineering Plastics Limited (hereinafter referred to as the "Company") for the year ended 31 March 2021, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Annual Financial Results* 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 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 annual financial results.

Management's and Board of Directors' Responsibilities for the Annual Financial Results

These annual financial results have been prepared on the basis of the annual financial statements.

Registered Office:

Shaily Engineering Plastics Limited

Management's and Board of Directors' Responsibilities for the Annual Financial Results (Continued)

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 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 annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the annual financial results, the Management and the 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 responsible for overseeing the Company's financial reporting process

Auditor's Responsibilities for the Audit of the Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the annual financial results 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 annual financial results.

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 annual financial results, 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 through a separate report on the complete set of financial statements 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 in the financial results made by the Management and Board of Directors.

Shaily Engineering Plastics Limited

Auditor's Responsibilities for the Audit of the Annual Financial Results (Continued)

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting 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 annual financial results 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 annual financial results, including the disclosures, and whether the annual financial results 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.

Other Matters

The annual financial results include the results for the quarter ended 31 March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For B S R & Associates LLP

Chartered Accountants

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

Ahmedabad
29 May 2021

Jeyur Shah

Partner

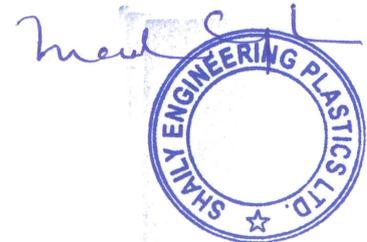
Membership No: 045754

UDIN: **21045754AAAACD2534**

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

Statement of audited financial results for the quarter and year ended March 31, 2021

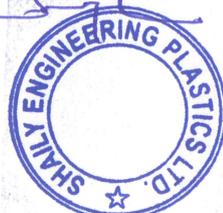
		(Rs. In Lakhs)				
Sr No.	Particulars	For the quarter ended			For the year ended	
		Mar 31, 2021	Dec 31, 2020	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
		(Audited) Refer note 3	(Unaudited)	(Audited) Refer note 3	(Audited)	(Audited)
I	Income					
	Revenue from operations	10,976.54	10,550.41	7,961.48	36,059.64	33,604.23
	Other Income	239.06	3.21	(18.19)	258.07	99.07
	Total Income	11,215.60	10,553.62	7,943.29	36,317.71	33,703.30
II	Expenses					
	Cost of materials consumed	7,436.10	6,636.44	4,433.53	22,714.26	19,906.40
	Changes in Inventories of finished goods and work-in-progress	(1,117.24)	(189.26)	(44.52)	(1,188.44)	(115.88)
	Power and fuel	527.55	515.37	390.12	1,793.76	1,737.37
	Employee benefits expense	1,008.10	900.11	694.32	3,422.48	2,596.62
	Finance costs	328.89	340.43	275.66	1,272.82	1,049.90
	Depreciation and amortisation	562.96	477.61	467.16	1,952.60	1,789.32
	Other expenses	1,152.91	800.34	972.56	3,361.88	3,669.80
	Total expenses	9,899.27	9,481.04	7,188.83	33,329.36	30,633.53
III	Profit Before Tax (I - II)	1,316.33	1,072.58	754.46	2,988.35	3,069.77
IV	Tax expense					
	Current Tax	160.13	210.36	280.43	522.76	766.03
	Deferred Tax	186.38	60.33	(221.18)	263.51	(55.28)
V	Net Profit after tax (III-IV)	969.82	801.89	695.21	2,202.08	2,359.02
VI	Other Comprehensive Income (OCI)					
	(i) Items that will not be reclassified to profit or loss	(28.54)	1.05	27.67	(24.93)	(9.85)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	7.18	(0.26)	(8.06)	6.27	2.87
	(i) Items that will be reclassified to profit or loss	41.14	158.22	(38.99)	86.80	(38.99)
	(ii) Income tax relating to items that will be reclassified to profit or loss	(10.36)	(39.82)	11.35	(21.85)	11.35
	Total Other Comprehensive Income	9.42	119.19	(8.03)	46.29	(34.62)
VII	Total Comprehensive Income for the period (V +VI)	979.24	921.08	687.18	2,248.37	2,324.40
VIII	Paid-up Equity Share Capital (Face Value of Rs. 10/- per Equity Share)	831.84	831.84	831.84	831.84	831.84
IX	Other Equity excluding Revaluation Reserve				17,354.71	15,106.34
X	Earning Per Share (EPS) of Rs. 10/- each (not annualised)					
	Basic (Rs.)	11.66	9.64	8.36	26.47	28.36
	Diluted (Rs.)	11.66	9.64	8.36	26.47	28.36
See annexed accompanying statement of assets and liabilities, cash flow statement and notes to the financial results.						



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Statement of Assets and Liabilities		(Rs. In Lakhs)	
Particulars	As at	As at	
	Mar 31, 2021	Mar 31, 2020	
	(Audited)	(Audited)	
A ASSETS			
1 Non-current assets			
a) Property, plant and equipment	22,085.72	15,493.06	
b) Capital work-in-progress	2,305.49	3,719.00	
c) Other intangible assets	598.19	214.69	
d) Intangible assets under development	731.27	876.46	
e) Financial assets			
i. Investments	0.08	20.06	
ii. Loans	45.38	45.26	
iii. Other financial assets	541.22	738.60	
f) Income tax assets (net)	399.94	323.66	
g) Other non-current assets	2,313.66	1,395.30	
Total non-current assets	29,020.95	22,826.09	
2 Current assets			
a) Inventories	6,686.86	4,968.82	
b) Financial assets			
i. Trade receivables	6,953.43	6,102.51	
ii. Cash and cash equivalents	98.25	702.33	
iii. Bank balances other than cash and cash equivalents above	193.37	281.81	
iv. Loans	27.41	18.67	
v. Other financial assets	485.13	648.73	
c) Other current assets	3,238.88	2,598.03	
Total current assets	17,683.33	15,320.90	
TOTAL ASSETS	46,704.28	38,146.99	
B EQUITY AND LIABILITIES			
1 Equity			
a) Equity share capital	831.84	831.84	
b) Other equity	17,354.71	15,106.34	
TOTAL EQUITY	18,186.55	15,938.18	
LIABILITIES			
2 Non-current liabilities			
a) Financial liabilities			
i. Borrowings	12,836.39	7,211.64	
ii. Other financial liabilities	212.56	149.78	
b) Provisions	157.23	145.99	
c) Deferred tax liabilities (Net)	1,027.47	734.17	
d) Other non-current liabilities	34.50	35.97	
Total non-current liabilities	14,268.15	8,277.55	
3 Current liabilities			
a) Financial liabilities			
i. Borrowings	4,487.17	5,055.24	
ii. Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	447.46	333.74	
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	4,211.37	4,859.83	
iii. Other financial liabilities	4,018.17	2,234.33	
b) Other current liabilities	999.69	1,379.78	
c) Provisions	85.72	68.34	
Total current liabilities	14,249.58	13,931.26	
TOTAL LIABILITIES	28,517.73	22,208.81	
TOTAL EQUITY AND LIABILITIES	46,704.28	38,146.99	

Mand Singh



Notes:

- 1 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on May 29, 2021.
- 2 The above audited financial results of the Company have been prepared in accordance with the Indian Accounting Standards (IND AS) prescribed under section 133 of the Companies Act, 2013 (the "Act") read with relevant rules issued thereunder, other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India.
- 3 The figures of the quarter ended March 31, 2021 and March 31, 2020 are the balancing figures between the audited figures in respect of the full financial year and published year to date figures up to the nine months of the relevant financial year.
- 4 In accordance with 'Ind AS 108 - Operating Segments', the Company operates in one business segment i.e. 'Customised components of plastic and other materials'.
- 5 During the year, the Company has changed its method of valuing inventory to the Weighted Average Cost method(WAC) as against First-In-First-Out method(FIFO) followed in earlier years. The Company believes that the WAC method of inventory valuation is preferable because (1) the WAC method results in the valuation of inventories at moving average costs on the balance sheet, which provides a more meaningful presentation, and (2) the change confirms to the industry best practices. In accordance with IndAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, the Company has determined the impact of the change in accounting policy and the same is not material.
- 6 The Company expects that it will exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 in FY 2021-22. Accordingly the Company has remeasured its deferred tax assets (net) positions and on the basis of the rate prescribed under section 115BAA, has taken the full effect to Statement of Profit and Loss during quarter and year ended March 31, 2020. Tax Expense for the quarter and year ended March 31, 2020 includes tax benefit of Rs. 104.71 lakhs on account of re-measurement of deferred tax assets (net).
- 7 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.

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



Mahendra Sanghvi
Executive Chairman
DIN : 00084162

Place : Vadodara
Date : 29th May 2021



Shaily Engineering Plastics Limited
Cash Flow Statement for the year ended 31st March, 2021

(in ₹ lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
A Cash flow from operating activities		
Profit before tax	2,988.35	3,069.77
Adjustments for:		
Depreciation and amortization expense	1,952.60	1,789.32
(Gain)/Loss on sale of property, plant and equipment	(0.80)	2.54
Interest income	(25.16)	(14.16)
Write down of inventory	83.16	-
Finance costs	1,272.82	1,049.90
Allowance for credit losses	15.07	37.06
Net unrealised exchange (Gain)/Loss	(179.40)	94.88
Bad debt written off	-	6.90
Operating profit before working capital changes	6,106.64	6,036.21
Adjustments for:		
(Increase)/decrease in trade receivables	(850.92)	(185.84)
(Increase)/decrease in other receivables and advances	(622.87)	(960.66)
(Increase)/decrease in inventories	(1,801.20)	(659.72)
(Increase)/decrease in other financial assets	594.53	639.04
Increase/(decrease) in trade payables	(534.73)	1,866.37
Increase/(decrease) in other liabilities and provisions	(46.41)	764.01
Cash generated from operations	2,845.04	7,499.41
Taxes paid (net of refunds)	(599.07)	(899.40)
Net cash generated from operating activities	2,245.97	6,600.01
B Cash flow from investing activities		
Payment for purchases of property, plant and equipment (including capital advances)	(7,484.28)	(5,418.97)
Payment for purchases of intangible and Intangible under development	(819.08)	(825.49)
Proceeds from disposal of property, plant and equipment	2.53	1.79
Interest received	21.69	14.32
Bank balances not considered as cash and cash equivalents	88.44	(155.78)
Net cash flow used in investing activities	(8,190.70)	(6,384.13)
C Cash flow from financing activities		
Proceeds from long term borrowings	8,259.77	3,603.54
Repayment of long term borrowings	(1,100.30)	(2,161.07)
Proceeds/(Repayment) of working capital loans (net)	(568.08)	(51.35)
Finance costs paid	(1,252.74)	(962.15)
Net cash flow generated from/(used in) financing activities	5,338.65	428.97
D Net increase in cash and cash equivalents.	(606.08)	644.85
Cash & cash equivalents as at beginning of the year	702.33	54.96
Impact of exchange (gain)/loss	2.00	2.52
Cash & cash equivalents as at end of the year	98.25	702.33
Reconciliation of cash & cash equivalents as per cash flow statement :		
Cash & cash equivalents comprise :		
a) Balances with banks		
In current accounts	47.38	562.07
In EEFC accounts	46.48	136.23
b) Cash on Hand	4.39	4.03
Total	98.25	702.33

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.

