



Shaily Engineering Plastics Limited  
35<sup>th</sup> Annual Report  
2014-2015

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## Company Information

### Board of Directors

Mr. Mahendra Sanghvi	Executive Chairman
Mr. Amit Sanghvi	Managing Director
Mr. Laxman Sanghvi	Executive Director
Mrs. Tilottama Sanghvi	Whole-Time Director
Mr. A S Anandkumar	Independent Director
Mr. Sarup Chowdhary	Independent Director
Mr. Pushp Raj Singhvi	Independent Director
Mr. Milin Mehta	Additional Director
Mr. William Sean Sovak	Non- Executive Director

### Board Committees

#### Audit Committee

Mr. A.S Anandkumar - Chairman  
Mr. Sarup Chowdhary  
Mr. William Sean Sovak  
Mr. Milin Mehta

#### Nomination & Remuneration Committee

Mr. Sarup Chowdhary - Chairman  
Mr. William Sean Sovak  
Mr. Pushp Raj Singhvi  
Mr. Mahendra Sanghvi

#### Shareholders'/Investors' Grievance Committee

Mr. William Sean Sovak - Chairman  
Mr. A.S Anandkumar  
Mr. Laxman Sanghvi

#### CSR Committee

Mr. Pushp Raj Singhvi - Chairman  
Mr. Laxman Sanghvi  
Mrs. Tilottama Sanghvi

### CFO & Vice President (Finance)

Mr. Sanjay Shah

### Asst. Company Secretary

Ms. Apeksha Patel

### Auditors

#### Statutory Auditors

M/s Deloitte Haskins & Sells  
Chartered Accountants

#### Internal Auditors

M/s Shah Jain & Hindocha  
Chartered Accountants

#### Secretarial Auditors

M/s Samdani Shah & Associates  
Company Secretaries

### Bankers

State Bank of India  
Standard Chartered Bank  
HDFC Bank Limited  
CITI Bank N.A

### Registrar & Share Transfer Agent

Bigshare Services Pvt. Ltd.  
E-2, ANSA Industrial Estate, Saki Vihar Road,  
Saki Naka, Andheri (East),  
Mumbai, 400072, India.  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)  
E-mail : [bigshare@bom7.vsnl.net.in](mailto:bigshare@bom7.vsnl.net.in)

### Registered Office

Survey No. 364/366, At & Po. Rania, Taluka Savli,  
Dist. Vadodara - 391780, Gujarat, India.  
Website: [www.shaily.com](http://www.shaily.com) E-mail: [investors@shaily.com](mailto:investors@shaily.com)

### Plant Locations

#### Rania Plant/ EOU Plant/Finishing Division/CRC Project

Survey No. 363/364/366  
At & Po. Rania – 391780,  
Taluka Savli, Dist. Vadodara,  
Gujarat, India.

#### Halol Plant

Plot # 706,707,708 GIDC,  
Halol Dist. Panchmahals  
Gujarat, India.

## BOARD'S REPORT

### To the Members,

Your Directors are pleased to present the 35<sup>th</sup> Annual Report together with the Audited Accounts for the year ended on 31<sup>st</sup> March 2015.

### Financial Highlights

( ` in lacs)

Particulars	Financial Year	
	2014-15	2013-14
Net revenue from Operations	17,970.86	15,076.08
Other Income	155.02	55.99
<b>Total Revenue</b>	<b>18,125.88</b>	<b>15,132.07</b>
Total Expenses	15,322.40	12,667.83
<b>Profit Before Interest, Depreciation &amp; Tax</b>	<b>2,803.48</b>	<b>2,464.24</b>
Finance Cost	671.92	844.53
Depreciation and amortization expense	641.89	595.85
<b>Profit Before Tax</b>	<b>1,489.67</b>	<b>1,023.86</b>
Current Tax	312.31	356.13
Short provision in earlier years	(0.19)	(1.47)
Deferred tax	188.98	10.66
<b>Add: MAT Credit Entitlement</b>	<b>312.31</b>	<b>0</b>
<b>Net Profit for the year</b>	<b>1,300.88</b>	<b>658.55</b>

### Business Performance

✍ The Company's total sales have increased by 19.20% as compared to previous year.

✍ The Profit Before Tax (PBT) is ` **1,489.67 lacs**, which has increased by 45.50% compared to P.Y. which was ` 1,023.86 lacs.

✍ The Net Profit for the year under review is ` **1,300.88 lacs**, which has increased by 97.53%.

Your Company has been awarded the TOP Exporter Award for 2011-12 & 2012-13 by the Plastics Export Promotion Council (PLEXCONCIL) for Engineering Components of Plastics.

All significant accounting policies and material transactions have been disclosed in notes on accounts to the Balance Sheet as on 31<sup>st</sup> March 2015.

The Company during the year commissioned its new facility for the manufacture of pharmaceuticals packaging products.

### Dividend

The Board of Directors has recommended dividend of ` 2/- per Equity Share of ` 10/- each (20%) at its meeting held on 16th May, 2015 resulting in an estimated outflow of about ` 200 lacs (inclusive of dividend distribution tax) for approval of the shareholders at the ensuing Annual General Meeting.

### Directors and Key Managerial Personnel

Mr. Samaresh Parida resigned as Director of the Company w.e.f. 08<sup>th</sup> November, 2014. He had been a member of the Board since 2012. Mr. Samaresh Parida with his vast experience has made substantial contribution to the company's growth and has been instrumental in many strategic initiatives of the company. The Board and management of the company would like to place on record and thank Mr. Samaresh Parida for his advice and guidance which enabled the company to make substantial progress.

Mr. Piyush Verma who was appointed as an Alternate Director to Mr. William Sean Sovak w.e.f. 20<sup>th</sup> December, 2014 automatically vacated office pursuant to arrival of regular director Mr. William Sean Sovak on 13<sup>th</sup> January, 2015 to India. Hence Mr. Piyush Verma ceased to be an Alternate Director to Mr. William Sean Sovak.

Further, the Board of Directors had on recommendation of the Nomination & Remuneration Committee appointed Mr. Milin Mehta as an Additional Director w.e.f. 08<sup>th</sup> November, 2014 in their meeting held on 08<sup>th</sup> November, 2014. His appointment is proposed to be regularized in the ensuing Annual General Meeting.

The Board of Directors had on recommendation of the Nomination & Remuneration Committee change the designation of Mr. Samaresh Parida and Mr. William Sean Sovak as Non Executive Non Independent Director w.e.f. 08<sup>th</sup> August, 2014.

Mr. Amit Sanghvi shall be liable to retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

The Board of Directors had on recommendation of the Nomination & Remuneration Committee re-designated (Change in designation) Mr. Mahendra Sanghvi and Mr. Amit Sanghvi as Executive Chairman and Managing Director respectively w.e.f. 16<sup>th</sup> May, 2015 subject to the approval of members at the ensuing Annual General Meeting.

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreement.

Details of all the directors seeking appointment/re-appointment are included in the notice calling the 35<sup>th</sup> Annual General Meeting. Your directors have pleasure in recommending their appointment / re-appointment.

Mr. Sanjay Shah, Vice- President (Finance) of the company has been designated as Chief Financial Officer of the company w.e.f. 08<sup>th</sup> August, 2014.

Remuneration and other details of the Key managerial personnel for the year ended 31<sup>st</sup> March, 2015 are mentioned in the Extract of Annual Report which is attached as *Annexure IV* and forms part of the Report of Board.

The details of Familiarisation Programme and Annual Board evaluation process have been provided under the Corporate Governance Report. The policy on Appointment and remuneration of Directors including criteria for determining qualification, positive attributes independence of directors etc. and remuneration for KMP and other employees is attached as *Annexure I* and forms part of the report of the Board.

### **Meetings**

A calendar of Meetings is prepared and circulated in advance to the Directors.

During this year seven Board Meetings and four Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under Companies Act, 2013.

Statement indicating the manner in which formal annual evaluation has been made by the board of its own performance and that of its committees and individual directors has been given in the Report on Corporate Governance.

### **Fixed Deposits**

The Company has not accepted deposits from the public falling within the ambit of section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

### **Particulars of Loans, Guarantees or Investments**

Details of loans, Guarantees and investments covered under the provisions of section 186 of the Companies Act, 2013 forms part of the notes to the financial statements provided in this Annual report.

### **Listing of shares**

The Equity Shares of the Company are listed on the BSE Limited (BSE) with scrip code No. 501423. The Company confirms that the annual listing fees to the stock exchange for the financial year 2015-16 have been paid.

## Conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo

Information pursuant to section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and forming part of the Board's Report for the year ended 31<sup>st</sup> March 2015.

### A) Conservation of Energy

The Company has installed in-built energy mechanism to conserve energy.

### B) Technology Absorption

- Research and Development:

The Company has developed several dies and moulds, which were earlier imported. The Company has also developed several plastic components, which were earlier imported. The activities in development are carried out by the technicians, and the expenditure thereon is debited to the respective heads. Development new product or discovering new products of analysis. Company has recycled of wastes and research for efficient use of scrap materials.

- Technology absorption, adaptation and innovation:

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

### C) Foreign exchange earnings and outgo

Total foreign exchange outgo used is Rs. 6,349.50 lacs and total foreign exchange earned is Rs. 13,016.98 lacs.

## Management Discussion and Analysis

A report on Management Discussion and Analysis forms part of this Report and it deals with the Business Operations and Financial Performance, Research & Development Expansion & Diversification, Risk Management, Marketing Strategy, Safety & Environment, Human Resource Development etc.

## Corporate Governance

The Company has been following the principles and practices of good Corporate Governance and has ensured compliance of the requirements stipulated under Clause 49 of the Listing Agreement with the Stock exchange.

A detailed report on Corporate Governance giving details as required of Clause 49 of the Listing Agreement with the Stock Exchange is given separately as Annexure and forms part of the Board's Report. The Corporate Governance Certificate for the year ended 31<sup>st</sup> March, 2015 issued by M/s Samdani Shah & Associates, Practising Company Secretaries, Secretarial Auditor of the Company, is also attached as *Annexure VII* and forms part of the Board's Report.

## Particulars of Employees

The table containing the names and other particulars of employees in accordance with the provisions of section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as *Annexure III* and forms part of the Report of the Board.

## Audit Committee

The Audit Committee of the Board consists of three independent directors and one non-executive director.

The composition, role, terms of reference as well as power of the Audit Committee are in accordance with the provisions of clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.

#### Audit Committee Composition during F.Y.2014-15

Name of the Directors	Designation
Mr. A.S Anandkumar	Chairman
Mr. William Sean Sovak	Member
Mr. Sarup Chowdhary	Member
Mr. Samaresh Parida #	Member
Mr. Milin Mehta <sup>§</sup>	Member

# Ceased to be a Director w.e.f. 08<sup>th</sup> November, 2014.

§ Appointed as Director w.e.f. 08<sup>th</sup> November, 2014.

The details of all related party transactions are placed periodically before the Audit Committee. During the year there were no instances where the Board had not accepted the recommendations of the Audit Committee. The Company has in place vigil mechanism. Details of which are available on the Company's website [http://www.shaily.com/userfiles/file/Vigil\\_Mechanism\\_Policy.pdf](http://www.shaily.com/userfiles/file/Vigil_Mechanism_Policy.pdf) The Committee has also been delegated the responsibility for monitoring and reviewing risk management assessment and minimization procedures, implementing and monitoring the risk management plan and identifying, reviewing and monitoring all elements of risks which the company may be exposed to.

The details of terms of reference of the Committee, Number and dates of meeting held, attendance of the Directors and remuneration paid to them are given in the attached Corporate Governance report.

#### Risk Management Policy

Pursuant to requirement of clause 49 of the listing agreement, the company has formulated policy to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the company's competitive advantage. The Company has framed Risk Management Policy. Company has adopted systematic approach to mitigate risks associated with accomplishment of objectives, operations, revenues and regulations.

#### Internal Financial Control system and their adequacy

The company has an internal control system, commensurate with the size, scale and complexity of its operation.

#### Related Party Transaction

All related party transactions that were entered during the financial year were placed before the Audit Committee as also the Board for approval. There are no materially significant related party transactions made by the Company with promoters, Directors, Key Managerial Personnel or other designated person which may have potential conflict with the interest of the Company at large. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. i.e. <http://www.shaily.com/userfiles/file/Related%20Party%20Transaction%20Policy.pdf> The particulars of every contract and arrangements entered into by the Company with related parties referred in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto attached as *Annexure V* to the Report of Board in form AOC-2.

#### Vigil Mechanism/Whistle Blower Policy

The Company has a Vigil Mechanism/Whistle blower Policy to deal with the instances of fraud and mismanagement, if any. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. Company affirms that no personnel has been denied access to the audit committee. Vigil Mechanism/Whistle blower Policy is available on the Company's website [http://www.shaily.com/userfiles/file/Vigil\\_Mechanism\\_Policy.pdf](http://www.shaily.com/userfiles/file/Vigil_Mechanism_Policy.pdf)

## Corporate Social Responsibility Committee

In compliance with the Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee was constituted on 17<sup>th</sup> May, 2014.

*Corporate Social Responsibility Committee Composition during F.Y.2014-15*

Name of the Directors	Designation
Mr. Pushp Raj Singhvi	Chairman
Mr. Laxman Sanghvi	Member
Mr. Tilottama Sanghvi	Member

The Committee met once during the year on 08<sup>th</sup> August, 2014 to finalise the Corporate Social Responsibility Policy. The policy was approved by the Board on 08<sup>th</sup> August, 2014, is available on the Company's website [http://www.shaily.com/userfiles/file/Corporate\\_Social\\_Responsibility\\_Policy.pdf](http://www.shaily.com/userfiles/file/Corporate_Social_Responsibility_Policy.pdf)

The terms of reference of the Corporate Social Responsibility, number and dates of meeting held, attendance of the Directors and remuneration paid to them are given separately in the attached Corporate Governance report.

The Company recognizes that its operations impact a wide community of stakeholders, including investors, employees, customers, business associates and local communities and that appropriate attention to the fulfillment of its corporate responsibilities can enhance overall performance. The Company continues to spend to support local initiatives, health/ medical, education and sanitation/ cleanliness purpose as Corporate Social Responsibility initiatives.

The Company, as a responsible citizen believes in meaningful contribution to community welfare, enriching country's environmental capital & building sustainable future for the society by opening livelihood opportunities. In line with its objectives, company had initiated following activities during the year 2014-15.

### (i) Health / Medical purpose

Our goal is to render quality health care facilities to people living in the villages and elsewhere.

### (ii) Education purpose

The Company generously contribute towards various philanthropic activities particularly for education grant to students in need and to various Institutions/ Trusts carrying out exemplary work in the field of education, healthcare and benefits of underprivileged in rural area.

We will assist unprivileged school/institutes while providing direction and technical expertise and financial support. We will also develop proper educational infrastructure in school/institutes.

### (iii) Sanitation / Cleanliness purpose

We will create public infrastructure in villages by establishing safe, healthy & hygienic work environment.

We will take initiatives towards the development of proper irrigation and water storage system in unprivileged villages.

The Annual Report on the CSR activities is annexed herewith as *Annexure II* and forms part of the Board's Report.

## Nomination & Remuneration Committee

In compliance with Section 178 of the Companies Act, 2013, the Board has renamed existing "Remuneration/Selection Committee" as the "Nomination & Remuneration Committee".

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors. The terms of reference of the Nomination & Remuneration committee, number and dates of meeting held, attendance of the Directors and remuneration paid to them are given separately in the attached Corporate Governance report.

The Company's Nomination & Remuneration Policy is available on the Company's website <http://www.shaily.com/userfiles/file/documents/Nomination%20&%20Remuneration%20Policy.pdf> and is attached as *Annexure I* and forms part of the Board's Report.

## AUDITORS

### ● Statutory Auditors

M/s Deloitte Haskin & Sells (Registration No.: 117364W), the Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and re-commended for re-appointment for the financial year 2015-16 i.e. until the conclusion of the 36<sup>th</sup> Annual General Meeting of the Company. Deloitte has furnished a certificate under Section 139 and section 141 of the Companies Act, 2013, of their eligibility for re-appointment. The Auditors' Report does not contain any qualification, reservation or adverse remark.

### ● Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014 of dated 30<sup>th</sup> June, 2014 and Companies (Cost Records and Audit) Amendment Rules, 2014 amended as on 31<sup>st</sup> December, 2014 and issued by Ministry of Corporate Affairs specifying certain class of Companies engaged in the production such goods and providing such services which require cost audit. Pursuant to the Companies (Cost Records and Audit) Amendment Rules, 2014, it is mandatory for our Company to conduct cost audit for the financial year ending 31<sup>st</sup> March, 2016. Your Directors had, on the recommendation of the Audit Committee, appointed M/S Y.S. Thaker & Co. Cost Accountants, Vadodara (Firm Registration No. 000318) to audit the cost accounts of the company for the financial year 2015-16.

### ● Secretarial Auditors

Pursuant to the provision of section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Samdani Shah & Associates, Company Secretaries in practice to undertake the secretarial audit of the Company for the Financial year 2014-15. The Report of the Secretarial Audit is annexed herewith as *Annexure VI*. The Company is in process of having balanced composition of Board of Directors with proper balance of Executive, Non- executive Directors and Independent Directors which is qualified by the secretarial Auditors in their report.

## Directors' Responsibility Statement

The Board of Directors of the Company make the following statements in terms of section 134 (3)(c) of the Companies Act, 2013:

- (i) that in preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the directors have selected appropriate accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for the year ended on 31<sup>st</sup> March 2015 and of the profits of the company for that period;
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the annual accounts have been prepared on a going concern basis.
- (v) that proper internal financial control were in place and that such internal financial controls were adequate and were operating effectively.
- (vi) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. There have been no other material changes and commitments affecting the financial positions of the Company between the end of the financial year and the date of the report.
2. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operation in future.

Your Directors further state that during the year, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## Acknowledgement

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The Board places on record their appreciation for the support and co-operation your Company has been receiving from its suppliers, customers, business partners and others associated with the Company as its trading partners. Your Company looks upon them as partners in its progress and has shared with them the rewards of growth. 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.

The Directors also take this opportunity to thank all investors, clients, vendors, banks, regulatory and government authorities and stock exchange, for their continued support.

**For and on behalf of the Board of Directors**

**Place : Baroda**  
**Date : 16.05.2015**

**Mahendra Sanghvi**  
**Executive Chairman**  
**DIN : 00084162**

## ANNEXURE I TO BOARD'S REPORT

### Nomination & Remuneration Policy

The Nomination & Remuneration Policy of Shaily Engineering Plastics Ltd (SEPL) is designed to attract, motivate and retain manpower in a competitive and international market, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and listing agreement amended from time to time.

The Nomination & Remuneration Policy applies to the Company's Key Managerial Persons (KMPs) and Board of Directors.

### Objective and Purpose of the Policy

The objective and purpose of this policy are:

- To lay down criteria and terms & conditions with regard to identifying persons who are qualified to become Directors (Executive and Non Executive) and persons who may be appointed in Senior Officer and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size, financial position and trends and practices on remuneration prevailing in peer Companies.
- To carry out periodic evaluation of the performance of Directors, Key Managerial and Senior Management.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to Company's operation.
- To attract, retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

In the context of the aforesaid criteria the following Policy has been formulated by the Nomination & Remuneration committee and adopted by the Board of Directors at its Meeting held on 8<sup>th</sup> August, 2014. The Policy is applicable to all Directors (Executive and Non- Executive), Key Managerial Personnel and Senior Management. Key features of this Policy shall be included in the Board's Report.

This Policy shall be effective from **08<sup>th</sup> August, 2014**.

### Definitions

“**Board**” means the Board of Directors of the Company.

“**Committee**” means a Nomination & Remuneration Committee constituted or reconstituted the Board of Directors of the Company in accordance with the guidelines of Listing Agreement and Companies Act, 2013.

“**Company**” means Shaily Engineering Plastics Ltd (SEPL).

“**Independent Director**” means a director referred to in section 149(6) of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement.

“**Key Managerial Personnel**” (KMP) means-

- Managing Director
- Chief Executive Officer
- Whole –time Director
- Chief Financial Officer
- Company Secretary

And such other officer as may be prescribed under applicable statutory provisions/ regulations.

“**Senior Management**” means personnel of the Company occupying the position of one level below the Whole time Directors. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

### **Matters To Be Dealt With, Perused And Recommended To The Board By Committee**

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become director and persons who may be appointed in Key Managerial Personnel and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management.

### **Policy for Appointment and Removal of Director, KMP and Senior Management**

#### **a. Appointment Criteria and Qualifications:**

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/ her appointment.
- A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned person.
- The Company shall not appoint or continue the employment of any person as Managing Director or Whole-time Director who has not completed the age of twenty one years and attained age of seventy years.

Provided that where any person has attained the age of seventy years and where his appointment or reappointment is approved by passing a special resolution in the General Meeting based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of time beyond Seventy years. In any other case same shall be approved by the Central Government.

- Such other as may be prescribed in the Companies Act, 2013 and rules and regulations made thereunder.

#### **b. Terms/ Tenure:**

All appointment and reappointment of the Directors is as per applicable provision of the Companies Act, 2013, Rules & regulations issued by the Central Government time to time and prevailing policy of the Company.

#### **c. Evaluation:**

The Committee shall carry out evaluation of every Director, KMP and Senior Management Personnel at regular interval (yearly).

#### **d. Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons in writing for removal of a Director, KMP or senior Management Personnel in same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**e. Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provision of the Companies Act, 2013 and prevailing policy of the Company. The Board will have the direction to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**Policy relating to the remuneration for the Whole – Time Director, KMP and Senior Management**

- The Committee will determine and recommend to Board the remuneration/ compensation / commission etc., to the Managing Director, Whole – time Director KMP and Senior Management for approval. The remuneration/ compensation / commission etc., shall be subject to the prior/ post approval of the shareholders of the Company and Central Government, wherever required.
- The remuneration and commission to be paid to the Managing Director or Whole – time Director shall be in accordance with the limits or conditions laid down in the Articles of Association of the Company and as per the provision of the Companies Act, 2013 and rules made thereunder as amended from time to time.
- Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholder in the case of Managing Director or Whole-time Director. Increments will be effective from the date mentioned in the respective resolution in case of a Managing director and Whole-time Director and in respect of other employees of the company as decided by the Managing Director of the Company from time to time.
- Where any insurance is taken by the Company on behalf of its Managing Director, Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and other employees for identifying them against any liability, the premium paid on such personnel by the Company. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**A. Remuneration to Whole-time Director, Managing Director, KMP and Senior Management**

**1. Fixed pay:**

The Managing Director, Whole-time Director, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break up of the pay scale and quantum of perquisites including, employer's contribution to provident fund, superannuation or annuity fund, gratuity, pension scheme, medical expense, club fees etc., shall be decided and approved by the shareholders and Central Government, where ever required.

**2. Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director and Whole-time Director in accordance with the provision of section II Part II Schedule V of the Companies Act, 2013 and if its not able to comply with such provisions, with the previous approval of the Central Government.

**3. Provision for Excess remuneration:**

If any Managing Director and Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Company and until such sum if refunded, hold it in trust for the company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**4. Stock Options:**

In case, Managing Director, Whole-time Director, Chief Financial Senior Officer and Company Secretary, are not being Promoter Director or Independent Director, they shall be entitled to any stock option of the Company as qualified by the normal employees of the Company. Provided the same shall be subject to the Companies Act, 2013 and rules made thereunder read with Securities Exchange Board of India (Employees Stock Exchange Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and any amendment or modification thereof.

Management Personnel shall be eligible for stock option as normal employees of the company.

**B. Remuneration to Non- Executive/ Independent Director:****1. Remuneration/ Commission:**

The remuneration / commission shall be fixed as per the limits and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and rules made thereunder.

**2. Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. The Sitting fees shall be decided by the Board of Directors of the Company at its meeting where quorum consists of disinterested directors. In case all the directors are interested, the same shall be decided by the Resolution passed by the Members of the Company.

Provided that the amount of such fees shall not exceed Rupees One lakh per meeting of the Board or committee or such amount as may be prescribed by the central Government from time to time.

**3. Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1 % of the profits of the Company Computed as per the applicable provision of the Companies Act, 2013.

**4. Stock Options:**

An Independent Director shall not be entitled to any stock option of the company.

**Amendment**

The provisions of this policy can be amended by the Board from time to time and all such amendments and modifications shall take effect from the date stated therein. Amendment may be necessary, among other reasons, to maintain compliance with local, state, central and federal regulations and/or accommodate organizational changes within the Company.

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## ANNEXURE II TO BOARD'S REPORT

### Annual Report on Corporate Social Responsibility (CSR) Activities

**1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. :**

The Company focuses its activities on the following areas where it is in a position to create maximum value. These are,

- Health / Medical purpose
- Education purpose
- Sanitation / Cleanliness purpose

The above areas are mapped with the activities as prescribed in Schedule VII to the Companies Act, 2013 in the Annexure. CSR Policy of the Company is available on the Company's website [http://www.shaily.com/userfiles/file/Corporate\\_Social\\_Responsibility\\_Policy.pdf](http://www.shaily.com/userfiles/file/Corporate_Social_Responsibility_Policy.pdf)

**2. The Composition of the CSR Committee**

- a. Mr. Pushp Raj Singhvi – Chairman
- b. Mr. Laxman Sanghvi – Member
- c. Mrs. Tilottama Sanghvi – Member

**3. Average net profit of the Company for last three financial years: ` 7,85,64,541/-**

**4. Prescribed CSR Expenditure (two per cent of the amount as in item above): ` 15,71,291/-**

**5. Details of CSR spent during the financial year :**

- a. Total amount spent for the financial year : ` 1.30 Lac.
- b. Amount unspent, if any : ` 14.70 Lac.

## c. Manner in which the amount spent during the financial year is detailed below

(1) Sl. No	(2) Projects/ Activities	(3) Sector in which the Project is covered.	(4) Projects or Programmes (i)Local Area (ii)State & District where the projects were undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub-heads: (1)Direct expenditure on projects or programs. (2)Overheads	(7) Cumulative expenditure upto to the reporting period.	(8) Amount spent: Direct or through implementing agency
1	<p><u>Education purpose</u></p> <p>Learning De' Light is a digitized solution for Gujarati Medium Schools. HR team had been to the schools of Savli region and met the principals of the school. We have identified the need in terms of requirement of user friendly educational software called "Learning De' Light". The software has been developed specially for making learning of different subjects easy and enjoyable and it is tailor made as per the syllabus taught in the Gujarati Medium Schools – from Standard. 1 to Standard 8. The software warranty is inclusive in License Fees. The licence includes warranty that is renewable on a yearly basis. Vadodara Education Trust will ensure proper maintenance during the licencing period–original plus renewals. Training has been imparted to the teaching part. The program has a built in log system for accountability of each subject teachers.</p>	Education	<p>Following rural schools have been provided Education Software :</p> <p>1) Savli Kanya Shala 2) Savli Kumar Shala 3) Halol Kanya Shala 4) Duniya Primary Shala, Halol</p>	1,20,000/-	1,20,000/-	1,20,000/-	Vadodara Education Trust was established on 22/05/2010. It has been promoted by professionals with interest in working for improving the education ecosystem in the country through efforts at grassroots' levels.
2	<p><u>School Children Study Tour purpose</u></p> <p>Most of the children of Rania village are studying in Rania Primary School. We met Mr.Piyush Makwana (Principal of Rania Primary School) &amp; ensured him to provide financial support for the study tour of school children. 68 students of Rania Primary School had been visited to various places of Kutch like Mandvi, Bhuj, Anjar, Kandla port etc. We have contributed ` 10,000/- towards the tour expenses of Rania Primary School's Students.</p>	Education Study Tour	Rania Primary School, Vil. Rania, Tal. Savli, Vadodara,	10,000/-	10,000/-	10,000/-	Rania Primary School, Vil. Rania, Tal. Savli, Vadodara,

As good Corporate Governance Practice we have provided following Activities without taking into consideration such amount in the amount spent for CSR

(1) Sl. No	(2) Projects/ Activities	(3) Sector in which the Project is covered.	(4) Projects or Programmes (i)Local Area (ii)State & District where the projects were undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub-heads: (1)Direct expenditure on projects or programs. (2)Overheads	(7) Cumulative expenditure upto to the reporting period.	(8) Amount spent: Direct or through implementing agency
1	<p><u>Healthcare / Medical purpose</u></p> <p>As a part of CSR activity, a Free Medical check up Camp was organised at Village-Rania, Tal.Savli on 19.10.2014. Around 160 village people had attended the medical camp. Free medical check up of the villagers was conducted by the team of doctors of Satyam Hospital, Vadodara. Further, the team of doctors had also shared their views with village people in terms of rural unhygienic conditions &amp; their precautionary measures &amp; remedies. Free of cost medicines were also provided to the required patients during the camp.</p>	Healthcare	Village Rania, Tal. Savli, Dist. Vadodara,	Nil	NIL	NIL	Arranged by Shaily and medical support was provided by Satyam Hospital, Vadodara

**6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:**

This is due to proper identification of CSR activities to ensure that the amount spent reaches the intended beneficiary.

**7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.**

In 2014-15, in compliance with its CSR Policy, the Company focused its activities on Health / Medical purpose, Education purpose, Sanitation / Cleanliness purpose. These initiatives are built upon the strong base of performance in environmental sustainability and applicable laws.

Amit Sanghvi  
Managing Director  
(DIN : 00022444)

Pushp Raj Singhvi  
Chairman  
CSR Committee  
(DIN : 347511)

## ANNEXURE III TO BOARD'S REPORT

### Particulars of employees

The information required under section 197(12), section 134(3)(q) of the Companies Act, 2013 and the Rules read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, has been given in the annexure appended hereto and forms part of this report.

- (a) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Name	Designation	Ratio
Mr. Mahendra Sanghvi	Managing Director	52.16:1
Mr. Laxman Sanghvi	Executive Director	34.93:1
Mrs. Tilottama Sanghvi	Whole time Director	29.80:1
Mr. Amit Sanghvi	Whole time Director	18.62:1

- (b) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Name	Designation	Ratio
Mr. Mahendra Sanghvi	Managing Director	Nil
Mr. Laxman Sanghvi	Executive Director	Nil
Mrs. Tilottama Sanghvi	Whole time Director	Nil
Mr. Amit Sanghvi	Whole time Director	Nil
Mr. Sanjay Shah	CFO & Vice President- Finance	13.74%
Ms. Apeksha Patel	Company Secretary	15.60%

- (c) the percentage increase in the median remuneration of employees in the financial year: 14.25%

- (d) the number of permanent employees on the rolls of company :

Staff : 241

Permanent Workers : 103

- (e) the explanation on the relationship between average increase in remuneration and company performance and comparison of the remuneration of the Key Managerial Personnel against the performance of the company;

Name	Designation	% Increase in CTC	PAT ( ` In lacs)	% Increase in PAT
Mr. Mahendra Sanghvi	Managing Director	Nil	1300.88	97.54%
Mr. Laxman Sanghvi	Executive Director	Nil		
Mrs. Tilottama Sanghvi	Whole time Director	Nil		
Mr. Amit Sanghvi	Whole time Director	Nil		
Mr. Sanjay Shah	CFO & Vice president- Finance	13.74 %		
Ms. Apeksha Patel	Company Secretary	15.60 %		

- (f) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer :

Date	Issued Capital ( ` )	Closing Market Price Per share ( ` )
31.03.2014	73,18,4300	54.00
31.03.2015	83,18,4300	310.20
Increase/(Decrease)	10,00,0000	256.20
% of Increase/(Decrease)	13.67%	-
% of increase in market price as on 31.03.2015 as compared increase in closing market price per share	-	121.07

The Company has not made any public issue or Rights issue of securities, so comparison has not been made of current share price with public offer price.

The Company's shares are listed on BSE Ltd.

- (g) 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:-

Average overall increase including Managerial Personnel is 11.03% and other than managerial personnel is 10.88%

- (h) the key parameters for any variable component of remuneration availed by the directors:-

All employees including the Managing Director's entitlement to incentive has a variable component which is based on the individual's performance and company's financial performance. Other components of remuneration are not variable during a particular year.

- (i) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: The Managing Directors is the highest paid director. No employee received remuneration higher than the Managing Director.
- (j) Is remuneration is as per the remuneration policy of the Company: Yes
- (k) Information as per rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014, as amended, forming part of this report for year ended 31<sup>st</sup> March, 2015 are as under:

SN	Name	Designation	Gross Earnings (in lacs)	Age	Qualification	Exp	Date of Joining	Last Employment
1	Mahendra Sanghvi	Managing Director	79,46,436	67years	B.Sc.(Chem) B.S. Chem Engg	41	30 <sup>th</sup> Dec 1985	GB Book Plastic Co., Canada

**NOTES:**

- The appointment of the Managing Director is contractual.
- Remuneration includes Basic, HRA, all other allowances and perquisites, Company's contribution to Provident Fund etc.
- Mr. Mahendra Sanghvi is a relative of Mr. Laxman Sanghvi, Mr. Amit Sanghvi and Mrs. Tilottama Sanghvi.

For and on Behalf of the Board of Directors

Mahendra Sanghvi  
Executive Chairman  
DIN : 00084162

## ANNEXURE IV TO BOARD'S REPORT

Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March, 2015

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

## I. REGISTRATION AND OTHER DETAILS:

CIN	L51900GJ1980PLC065554
Registration Date	18 <sup>th</sup> April, 1980
Name of the Company	Shaily Engineering Plastics Ltd.
Category / Sub-Category of the Company	Company having share capital
Address of the Registered office and contact details	Survey No. 364/366, At & Po. Rania, Ta. Savli, Dist. Vadodara – 391780 Phone : 02667- 244307/361
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Big Share Services Pvt. Ltd. E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai- 400072 Phone : 022-40430200

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of other plastics products n.e.c.	22209	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
N.A					

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category of Shareholder	No. of shares held at the beginning of the year March 31, 2014				No. of shares held at the beginning of the year March 31, 2015				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(I) (II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A) Shareholding of Promoter and Promoter Group									
1 Indian									
(a) Individuals/ Hindu Undivided Family	0	738443	738443	10.09	563,017	75,426	638443	7.68	2.41
(b) Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d) Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Others (Specify)									
(e-i) Directors & their relatives	3017427	518010	3535437	48.31	3116820	705330	3822150	45.95	2.36
Sub Total(A)(1)	3017427	1256453	4273880	58.40	3679837	780756	4460593	53.62	4.78

2 Foreign									
a Individuals (Non-Residents Individuals/ Foreign Individuals)	0	19250	19250	0.26	19250	0	19250	0.23	0.03
b Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
c Institutions	0	0	0	0.00	0	0	0	0.00	0.00
d Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
e Any Others(Specify)									
(e-f) Directors & their relatives	0	20000	20000	0.27	0	20000	20000	0.24	0.03
Sub Total(A)(2)	0	39250	39250	0.54	19250	20000	39250	0.47	0.07
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	3017427	1295703	4313130	58.94	3699087	800756	4499843	54.09	4.85
(B) Public shareholding									
1 Institutions									
(a) Mutual Funds/ UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b) Financial Institutions /Banks	0	0	0	0.00	0	0	0	0.00	0.00
(c) Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f) Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(g) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(1)	0	0	0	0.00	0	0	0	0.00	0.00
B 2 Non-institutions									
(a) Bodies Corporate	1541	0	1541	0.02	189,625	0	189,625	2.28	2.26
(b) Individuals									
i. Individual shareholders holding nominal share capital up to ` 1 lakh	11559	46300	57859	0.79	112,298	43,200	155,498	1.87	1.08
ii. Individual shareholders holding nominal share capital in excess of ` 1 lakh.	783640	200825	984465	13.45	2,333,661	13,505	2347166	28.22	14.77
(c) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d) Any Other (specify)									
(d-i) Foreign Company	1502320	244100	1746420	23.86	1044454	0	1044454	12.56	11.30
(d-ii) Hindu Undivided Families	10000	0	10000	0.14	63935	0	63935	0.77	0.63
(d-iii) Directors & their relatives	205015	0	205015	2.80	0	0	0	0.00	2.80
(d-iv) Non-resident Indian	0	0	0	0.00	200	0	200	0.00	0.00
(d-v) Clearing Members	0	0	0	0.00	17,709	0	17,709	0.21	0.21
Sub-Total (B)(2)	2514075	491225	3005300	41.06	3761882	56705	3818587	45.91	4.85
(B) Total Public Shareholding (B) = (B)(1)+(B)(2)	2514075	491225	3005300	41.06	3761882	56705	3818587	45.91	4.85
TOTAL (A)+(B)	5531502	1786928	7318430	100.00	7460969	857461	8318430	100.00	0.00
(C) Shares held by Custodians and against which Depository Receipts have been issued									
1 Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
2 Public	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (C)	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A)+(B)+(C)	5531502	1786928	7318430	100.00	7460969	857461	8318430	100.00	0.00

(ii) **Shareholding of Promoters**

SI No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2014)			Share holding at the end of the year (As on 31.03.2015)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mahendra Sanghvi	8,29,875	11.34	3.21	8,29,875	9.98	0	1.36*
2	Laxman Sanghvi	5,01,924	6.86	3.21	5,01,924	6.03	0	0.83*
3	Tilottama Sanghvi	7,98,790	10.91	1.73	8,98,490**	10.80	0	0.11*
	Total	21,30,289	29.11	8.15	22,30,289	26.81	0	2.30

\*Change in % of shareholding is due to increase in paid up capital of the Company.

\*\* Change due to inter se transfer between promoter group

(iii) **Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (1.4.2014 to 31.3.2015)	
		No. of Shares at the beginning (01.04.2015)/ end of the year (31.03.2015)	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Mahendra Sanghvi	829,875	11.34	01.04.2014	0	Nil movement during the year	829,875	9.98*
		<b>829,875</b>	<b>9.98*</b>	<b>31.03.2015</b>				
2	Tilottama Sanghvi	798,490	10.91	01.04.2014	100000	Inter se transfer between promoters	898490	10.80
				18.11.2014				
		<b>898490</b>	<b>10.80</b>	<b>31.03.2015</b>				
3	Laxman Sanghvi	501,924	6.86	01.04.2014	0	Nil movement during the year	501,924	6.03*
		<b>501,924</b>	<b>6.03*</b>	<b>31.03.2015</b>				

\*Change in % of shareholding is due to increase in paid up capital of the Company.

## iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (1.4.2014 to 31.3.2015)	
		No. of Shares at the beginning (01.04.2015)/ end of the year (31.03.2015)	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Motika Limited	1,746,420	23.86	01.04.2014				
				09.02.2015	-431,779	open market sale	1,314,641	15.80
				10.02.2015	-50,885		1,263,756	15.19
				11.02.2015	-17,336		1,246,420	14.98
				25.02.2015	-1,966		1,244,454	14.96
				27.02.2015	-200,000		1,044,454	12.56
		1,044,454	12.56	31.03.2015			1,044,454	12.56
2	Ashish Kacholia <sup>1</sup>	0	0	01.04.2014				
				31.12.2014	1,000,000	Preferential allotment	1,000,000	12.02
		1,000,000	12.02	31.03.2015			1,000,000	12.02
3	Jayesh Shah	679,838	9.29	01.04.2014	0	Nil movement during the year		
		679,838	8.17*	31.03.2015			679,838	8.17*
4	Narendra Kumar Agarwal <sup>1</sup>	0	0	01.04.2014	0	Nil movement during the year	552,506	6.64
		552,506	6.64	31.03.2015			552,506	6.64
5	Lax Nagda	489,452	6.69	01.04.2014				
				18.11.2014	-100,000	Inter se transfer between Promoters	389,452	4.68
		389,452	4.68	31.03.2015			389,452	4.68
6	Bharat Sanghvi	353,584	4.83	01.04.2014	0	Nil movement during the year	353,584	4.25*
		353,584	4.25*	31.03.2015			353,584	4.25*
7	Swati Sanjay Shah	241,660	3.30	01.04.2014	0	Nil movement during the year	241,660	2.91*
		241,660	2.91*	31.03.2015			241,660	2.91*
8	Alpana Shah Parida	205015	2.80	01.04.2014				
				09.02.2015	-25000	open market sale	180015	2.16
		180015	2.16	31.03.2015			180015	2.16
9	Vanita Nagda	173,565	2.37	01.04.2014	0	Nil movement during the year	173,565	2.09*
		173,565	2.09*	31.03.2015			173,565	2.09*

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (1.4.2014 to 31.3.2015)	
		No. of Shares at the beginning (01.04.2015)/ end of the year (31.03.2015)	% of total Shares of the company				No. of Shares	% of total Shares of the company
10	Shaily Sanghvi <sup>1</sup>	60,000	0.82	01.04.2014	187,320	Off Market Purchase	247,320	2.97
		247,320	2.97	23.02.2015				
11	Shailesh Gadhia <sup>#</sup>	227,380	3.10	01.04.2014	-75,000	Market sale	152,380	1.83
		152,380	1.83	09.02.2015				
12	Haresh Shah <sup>#</sup>	190,000	2.60	01.04.2014	-75,000	Market sale	115,000	1.38
		115,000	1.38	09.02.2015				
13	Hansraj Gada <sup>#</sup>	150,320	2.05	01.04.2014	-150,320	Market sale	Nil	Nil
		Nil	Nil	31.03.2015				

\* Change in % of shareholding due to increase in the paid up capital of the Company

<sup>1</sup> not in the list of top 10 shareholders as on 01.04.2014. The same has been reflected above since the shareholder was one of the top 10 shareholders as on 31.03.2015.

<sup>#</sup> Ceased to be in the list of top 10 shareholders as on 31.03.2015. The same has been reflected above since the shareholders was one of the top 10 shareholders as on 01.04.2014.

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (1.4.2014 to 31.3.2015)	
		No. of Shares at the beginning (01.04.2015)/ end of the year (31.03.2015)	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Mahendra Sanghvi (Managing Director) <sup>1</sup>	829,875	11.34	01.04.2014	0	Nil movement during the year	829,875	9.98*
		829,875	9.98*	31.03.2015			829,875	9.98*
2	Tilottama Sanghvi (Whole time Director)	798,490	10.91	01.04.2014		Inter se transfer between promoters		
				18.11.2014	100,000		898,490	10.80
		898,490	10.80	31.03.2015			898,490	10.80
3	Laxman Sanghvi (Whole time Director)	501,924	6.86	01.04.2014		Nil movement during the year		
					0		501,924	6.03*
		501,924	6.03*	31.03.2015			501,924	6.03*
4	Amit Sanghvi (Whole time Director) <sup>1</sup>	60,000	0.82	01.04.2014	0	Nil movement during the year	60,000	0.72*
		60,000	0.72*	31.03.2015			60,000	0.72*
5	Mr. A.S.Anandkumar (Independent Director)	Nil	Nil		Nil	Nil	Nil	Nil
6	Mr. Sarup Chawdhary (Independent Director)	Nil	Nil		Nil	Nil	Nil	Nil
7	Mr. Pushp Raj Singhvi (Independent Director)	Nil	Nil		Nil	Nil	Nil	Nil
8	Mr. Milin Mehta (Additional Director)	Nil	Nil		Nil	Nil	Nil	Nil
9	Mr. William sean Sovak (Non Executive Director)	Nil	Nil		Nil	Nil	Nil	Nil
10	Mr. Sanjay Shah (CFO & Vice- President Finance)	22,100	0.30	01.04.2014	0	Nil movement during the year	22,100	0.27*
		22,100	0.27*	31.03.2015			22,100	0.27*
11	Ms. Apeksha Patel (Asstt. Company Secretary)	Nil	Nil		Nil	Nil	Nil	Nil

\* Change in % of shareholding due to increase in the paid up capital of the Company

<sup>1</sup> In the Meeting of Board of Directors held on 16<sup>th</sup> May, 2015 the designation of Mr. Mahendra Sanghvi and Mr. Amit Sanghvi has been changed from Managing Director to Executive Chairman and from Whole time Director to Managing Director, respectively, subject to the approval of the members in the ensuing Annual General Meeting.

\*\*Mr. William Sean Sovak has been appointed by Motika Limited, a company incorporated under the law of Cyprus holding 1044454 equity shares of ` 10/- of the Company. During the financial year Motika Ltd. has sold 701966 equity shares.

**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	622,827,367	11,682,530	23,565,000	<b>658,074,897</b>
ii) Interest due but not paid	—	103,034	-	-
iii) Interest accrued but not due	1,813,926	11,785,564	-	<b>1,916,960</b>
<b>Total (i+ii+iii)</b>	<b>624,641,293</b>	<b>11,785,564</b>	<b>23,565,000</b>	<b>659,991,857</b>
<b>Change in Indebtedness during the financial year-</b>				
Addition	333,890,893	-	-	333,890,893
Reduction	135,959,566	9,681,576	12,265,000	157,906,142
<b>Net Change</b>	<b>197,931,327</b>	<b>9,681,576</b>	<b>12,265,000</b>	<b>175,984,751</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	819,403,364	2,103,988	11,300,000	832,807,352
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,169,256	-	-	3,169,256
<b>Total (i+ii+iii)</b>	<b>822,572,620</b>	<b>2,103,988</b>	<b>11,300,000</b>	<b>835,976,608</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL***A. Remuneration to Managing Director, Executive Director & Whole-time Director:*

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mahendra Sanghvi Chairman & MD <sup>1</sup>	Laxman Sanghvi Executive Director	Tilottama Sanghvi Whole time Director	Amit Sanghvi Whole time Director <sup>1</sup>	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	84,22,426	58,47,919	31,18,476	49,89,828	2,23,78,649
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1,61,115	1,18,626	1,24,512	1,75,476	5,79,728
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4.	Commission- as % of profit-others, specify...	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (A)	85,83,541	59,66,545	32,42,988	51,65,304	2,29,58,378
	Ceiling as per the Act	` 14896674/- (being 10% of the net profits of the company calculated as per section 198 of the Companies Act, 2013)				

<sup>1</sup> In the Meeting of Board of Directors held on 16<sup>th</sup> May, 2015 the designation of Mr. Mahendra Sanghvi and Mr. Amit Sanghvi has changed from Managing Director to Executive Chairman and from Whole time Director to Managing Director, respectively, subject to the approval of the members in the ensuing Annual General Meeting.

**B. Remuneration to other Directors**

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors <ul style="list-style-type: none"> <li>Fees for attending board &amp; committee meetings</li> </ul>	Mr. A.S. Anandkumar Mr. Sarup Chowdhary Mr. Pushp Raj Singhvi Mr. Samaresh Parida# Mr. Piyush Verma * Mr. Milin Mehta§ Mr. William Sean Sovak **	2,65,000 2,40,000 1,85,000 90,000 60,000 1,65,000 Nil
	<ul style="list-style-type: none"> <li>Commission</li> <li>Other, please specify</li> <li>Professional fees</li> </ul>	- Mr. Samaresh Parida**	- 1154348
	Total(1)		2159348
2.	Other Non- Executive Directors	-	-
	<ul style="list-style-type: none"> <li>Fees for attending Board &amp; committee Meetings</li> <li>Commission</li> <li>Others, please specify</li> </ul>		
	Total (2)	-	-
	Total (B)=(1)+(2)		2159348
	Total Managerial Remuneration		-
	Overall ceiling as per the Act	` 1489667/- (being 1% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)	

\* Appointed as an Alternate Director to Mr. William Sean Sovak, director w.e.f. 20<sup>th</sup> December, 2014 and ceased to be a Alternate Director w.e.f. 13<sup>th</sup> January, 2015

# Ceased to be a Director w.e.f. 08<sup>th</sup> November, 2014.

§ Appointed as Additional Director w.e.f. 08<sup>th</sup> November, 2014.

\*\* Change in designation as Non Executive non Independent Director w.e.f. 08<sup>th</sup> August, 2014

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sr. no.	Particulars of remuneration	CFO	Asst. Company Secretary	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	26,80,730	1,95,664	28,76,394
	(b) Value of perquisites u/s17(2) of the Income Tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission- as % of profit- Others, specify...	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	Total	26,80,730	1,95,664	28,76,394

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

There were no penalties/punishment/compounding of offences for the year ending March 31, 2015.

## ANNEXURE V TO BOARD'S REPORT

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

#### 1. Details of contracts or arrangements or transactions not at arm's length basis

(a) Name(s) of the related party and nature of relationship :

Name of Related Party	Nature of relationship
Integra Engineering India Ltd. *	Mr. Mahendra Sanghvi is on the Board of Integra Engineering India Ltd.
Lease deed with Mrs. Tilottama Sanghvi (for Correspondence office) **1	Mrs. Tilottama Sanghvi is Whole time Director of the Company
M/s. Jariwala Shah Kanji Raichand & Co.**2	Mr. Jayessh Shah (Proprietor) is brother of Mrs. Tilottama Sanghvi
Salary paid to Mrs. Kinjal Bhavsar ***	Mrs. Kinjal Bhavsar is wife of Mr. Amit Sanghvi, Whole time Director and Daughter in law of Mr. Mahendra Sanghvi, Managing Director and Mrs. Tilottama Sanghvi, Whole time Director

(b) Nature of contracts/arrangements/transactions :

\*sale, purchase or supply of and goods or materials

\*\*1<sup>2</sup>Leasing of property of any kind

\*\*\*Related party transaction's appointment to any office or place of profit in the Company

(c) Duration of the contracts / arrangements/transactions :

\*1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015

\*\* 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015

\*\*2 1<sup>st</sup> July, 2014 to 30<sup>th</sup> June, 2015

\*\*\* 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015

(d) Salient terms of the contracts or arrangements or transactions including the value, if any :

\* ` 300 Lakh for 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015

\*\*1 ` 70,000/- p.m.

\*\*2 ` 50,000/- p.m.

\*\*\* ` 1,00,151/- p.m.

(e) Justification for entering into such contracts or arrangements or transactions :

\*Sales with Integra in the normal course of business.

\*\*\* Salary paid is in the normal course of business.

\*\*1<sup>2</sup>Leasing of property is in the normal course of business.

(f) Date(s) of approval by the Board:

\* 08<sup>th</sup> August, 2014

\*\* 1<sup>st</sup> February, 2014

\*\*2 17<sup>th</sup> May, 2014

\*\*\* 10<sup>th</sup> August, 2013

(g) Amount paid as advances, if any: N.A

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 :

\*\*\* 14<sup>th</sup> November, 2013

2. Details of material contracts or arrangement or transactions at arm's length basis: N.A

**For and on behalf of the Board of Directors**

Date : 16.05.2015

Place : Vadodara

**Mahendra Sanghvi**

Executive Chairman

(DIN : 00084162)

**Annexure VI to Board's Report****Form MR-3****Secretarial Audit Report**

For the Financial Year ended 31<sup>st</sup> March, 2015

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9  
Of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
Shaily Engineering Plastics Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shaily Engineering Plastics Limited (the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2015, 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 and Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2015, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulation, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulation, 1998;

We have examined the compliance with the applicable clauses of the Listing Agreement entered into by the Company with BSE Limited.

We have not examined the Secretarial Standards issued by The Institute of Company Secretaries of India as these were not notified up to the period of this report.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. except for proper Composition of Board of Directors.

**We further report that** the Company is in process of having balanced composition of Board of Directors with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the Agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with all the applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period there were no instances of;

1. Redemption / buy-back of securities.
2. Merger / amalgamation / reconstruction, etc.
3. Foreign Technical Collaborations.

However, the Company during the financial year under the review has issued Equity Shares on Preferential Basis amounting to Rs. 251,000,000 (10 lacs Equity Shares at Rs 251 each including Rs. 241 share premium amount).

Vadodara,  
16<sup>th</sup> May, 2015

**Suresh Kumar Kabra**  
Partner

**Samdani Shah & Asso.**  
Company Secretaries  
ACS # 9711 - CP# 9927

**Annexure VII to Board's Report****CORPORATE GOVERNANCE CERTIFICATE****To the Members  
of Shaily Engineering Plastics Limited**

We have examined the compliance of the conditions of Corporate Governance by Shaily Engineering Plastics Limited for the year ended 31<sup>st</sup> March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges, in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Governance. It is neither an audit nor an expression of an opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement and as otherwise stated in the corporate governance report of aforesaid financial year. The Company is in process of having balanced composition of Board of Directors.

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2015 no investor grievances are pending against the Company, as per the records maintained by the Company and presented to the Shareholders/ Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**Suresh Kumar Kabra**  
**Company Secretary**  
**Partner**

**Date : 16-05-2015**  
**Place : Vadodara**

**Samdani Shah & Asso.**  
**Company Secretaries**  
**ACS/ CP NO. 9711/9927**

**Annexure VIII to Board's Report****CERTIFICATE UNDER CLAUSE 49 OF LISTING AGREEMENT**

To  
The Board of Directors  
Shaily Engineering Plastics Limited

Mr. Amit Sanghvi, Managing Director and Mr. Sanjay Shah, CFO & Vice-President (Finance) of Shaily Engineering Plastics Limited, certify:

1. That we have reviewed the financial statements and the cash flow statements for the year ended 31<sup>st</sup> March 2015 and that to the best of our knowledge and belief:
  - ◆ These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
  - ◆ These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. That there are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the Company's code of conduct;
3. That we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and they have been disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the identified deficiencies and
4. That we have informed the auditors and the audit committee:
  - i. Significant changes in internal control during the year;
  - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvements therein, if any, of the management or an employee having a significant role in the company's internal control system.

**For Shaily Engineering Plastics Limited**

Place : Vadodara  
Date : 16.05.2015

**Amit Sanghvi**  
**Managing Director**  
**(DIN No. : 00022444)**

**Sanjay Shah**  
**CFO & Vice-President (Finance)**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Overview

Shaily Engineering Plastics Limited (SEPL) is involved in the manufacture of high precision injection moulded plastic components, assemblies, moulds and dies for OEM (Original Equipment Manufacturer) requirements. The company has during the year added injection blow moulding facilities for manufacture of bottles for pharmaceutical industry.

### Industry structure and developments

India's plastic consumption is expected to grow at a healthy rate on the back of growing substitution, expanding middle income groups and new applications. Plastic products are increasingly finding application in all sectors of the economy, replacing other competing products such as steel and aluminium.

The plastic processing industry is highly fragmented. Presently, 75% are in the small-scale sector but accounts for only about 25% of polymer consumption. The top 100 players account for just 20% of the industry turnover. The industry also consumes recycled plastic, constituting about 30% of total consumption. Despite being an industry dominated by unorganised players (70% of the industry size), the organised players over the last few years outpaced them in terms of growth through constant innovation and regular introduction of niche products and thereby gradually eating into their share.

According to the All India Plastics Manufacturers' Association (AIPMA), the Indian plastic industry should grow 2.5 times in the coming eight years so that the five year plan target of 20 kg per head by 2020 can be attained. Presently, India is processing 8 kg plastic/head/year, while the global average stands at 28 kg per head per year. Moreover, China processes 56 million tonnes of plastic while India at 8 million tonnes. The industry body feels that India needs to work in the direction of attaining China's growth level as its one-year growth is nearly India's overall capacity. Chinese imports have captured 25% finished goods market and is growing fast. Consumption is growing faster than industry and is being captured by Chinese imports. The Government should promote foreign direct investment (FDI) in the plastic industry as China has been able to strengthen its position in the global market through this concept.

### Plastics Industry – Vision 2016

	2016
Consumption of Polymers @ 15% CARG	18.9 Million tonnes
Turnover of plastics Industries	Rs.1,33,245 crores
Additional Employment Generation	7 Million
Requirement of Additional Plastics Processing Machines	68113 Nos
Additional Capital Investment In Machines (2004-2016)	45,000 crores

(Source: CIPET)

Rituraj Gupta, President, AIPMA, says, " Most of the government initiatives such as 'Swachha Bharat', 'More Crop per Drop of Water', 'Housing for All', developing 'Smart Cities', would not be possible to implement without using plastics. AIPMA is focusing not only on generating employment but also on entrepreneurship and skill development. Plastic is one of the best alternate materials available, and at times is termed as magic material for it requires minimum energy to be transformed in whichever way one wants it."

(Source: Bilkul News)

Your company has immense capability to keep pace with the growing and diverse requirement of customers as well it has the possibilities for other business besides the current activities of the Company.

The possible threats to the company can be:

- Sluggish market conditions
- Rupee – Dollar devaluation

- Uncertain Government policies
- Inflation
- Change in demands of customers etc.

Your company is positively working towards (i) expanding its operation to other customers and (ii) maintaining quality of manufacturing products during 2015-16. Company has started a new project named CRC Project for development of business. The major products are CRC Cap, 120 ml Bottle, 100 ml Bottle, 60 ml Bottle, 40 ml Bottle etc.,

### Overall Performance of the company

- The Company's total sales have increased by **19.20%** as compared to previous year.
- The Profit Before Tax is ` **1,489.67 lacs**, which is increased by 45.50% compared to P.Y. which was ` 505.97 lacs.
- The Net Profit for the year under review is ` **1300.88 lacs**, which has been increased by 97.53%.

### Segment-wise / Product-wise Performance

The company is exclusively into manufacturing injection moulded plastic components, assemblies, moulds, dies, etc.

#### SEPL Strengths

SEPL focuses on maintaining and establishing long-term relationships with the customers and believes that we have the ability to address the varied and expanding requirements of our customers.

SEPL is having quality certificates like ISO 9001:2008 & TS 16949:2009. The company is also having ISO 13485:2003 certification which is mandatory for manufacture of medical devices.

#### Our sourcing ability

Our size of operation and experience in polymer business enables us in sourcing our inputs at appropriate times and at competitive prices.

#### Positioned as Total Solution Provider

SEPL has positioned itself as an independent and "Total Solution Provider" to its clients, which help in lowering response time. This helps in eliminating competition, which does not have the integrated capabilities possessed by SEPL.

#### Focus of SEPL

##### A. SEPL focuses on -

- Sophisticated and world-class higher capacity machines;
- Enhanced design capabilities, moulds, tools and dies and technological know-how;
- Increasing use of intelligent manufacturing to improve productivity and asset utilization;
- Global practices in manufacturing excellence, quality management and design;
- Development of new products and applications.

##### B. The Company has two important segments in its custom moulding division -

1. Products which are customised to customer requirements and
2. Products which are customised to certain applications, which is being developed now with focus on medical disposables/assemblies/devices.

For products which are created for specific applications, the team markets the products for that particular application. This is a new area of focus and the company expects to grow this business in the future. For the first segment, the team markets its internal capability to match stringent customer requirements. The product development cycle is long for this product class (especially for customer-specific products); once approved, it provides long-term revenue visibility with superior profitability.

Overall we at SEPL look forward for a substantial growth of the Company every year.

### **Corporate Goal**

Shaily's corporate goal is to provide total plastics solutions incorporating principles of -

- Product Design
- Mould Design
- Optimum Material Selection
- Mould Procurement
- Product Testing.

### **Outlook on Opportunities**

SEPL's domestic as well as overseas business is developing very fast and we are getting more and more enquiring for our capability to manufacture parts for them due to its commitment of standard quality of goods to its present customers and therefore sustaining operations and growing in even tough time.

If production capacities are added now, companies will be ready when the good times roll in, which they are bound to. Continuous improvement in productivity should become a standard practice and these tough times should make companies learn to do this on a regular basis. This will have regular monetary benefits on a continuous basis, rather than thinking short or long term.

The Electronics, Automobile, Packaging, Healthcare, Consumer Durables and Telecommunication are fastgrowing sectors of Indian economy offering growth for plastic utilization; SEPL also provides services for these sectors.

There is enormous scope for expansion and development in the Indian Plastics Industry. The processing industry in fact offers a huge potential for up gradation in terms of innovative technological advances.

### **Outlook on Threats, Risk and Concerns**

The Company's business depends on customer requirements as the Company is an OEM supplier and any fluctuation in the customers demand can affect the Company's performance. The Company is also exposed to project risks due to delays in project implementation/cost escalation, risks on account of fluctuation and in FX rates and fluctuation in raw material prices on account of fluctuation in oil prices.

The Company has adopted sufficient Risk Management mechanism in consideration of the nature of business of the Company. The details of Risk Management are periodically reviewed by the Board and optimum steps have been taken to mitigate the Risk factors.

### **Internal control System & its adequacy**

The Company has instituted adequate internal control procedure commensurate with the nature of its business and the size of its operations for the smooth conduct of its business. There are stringent internal control systems and procedures to facilitate optimal resource utilisation by keeping a check on unauthorised use of products. The Company's regular checks at every stage of its production and dispatch cycle ensured strict operational and quality compliance. Internal audit is conducted at regular intervals at all the plants and covers the key areas of operations. It is an independent, objective and assurance function responsible for evaluating and improving the effectiveness of the risk management, control and governance process. An Audit Committee consisting of three independent and one non-executive director is in place.

## **Human Resource**

Your Company's industrial relations continued to be harmonious during the year under review. Your Company conducts regular in-house training programs for employees at all level, which continuously improves peoples, machines and systems.

SEPL's culture fosters continuous learning, with result-oriented meritocracy. The employee strength of your Company is currently 1150, which includes staff, permanent workers and contract labour.

The company organized various employee welfare and get together programmes during the year to foster a culture of engagement amongst employees. The company also organized sports events to recognize and build up the team spirit among the employees.

## **Corporate Social Responsibility**

To meet with its Corporate Social Responsibilities your Company has organized various events in the nearby rural areas and educational institutes, such as -

- Free Medical Check up Camp
- Computer Education Programme
- Education Awareness Programme
- Training on Management Skills
- Corporate Culture's Presentation
- Self-Awareness Programme

In the area of community development, the company provides employment to the women staying in the nearby villages thereby helping them acquire basic skills and earn a living for themselves.

## **Cautionary Statement**

The statements made above are the best of estimates by Management, but the ultimate results may differ from the estimates due to the factors like changes in government policies, economic conditions of the country, changes in demand and supply pattern, changes in the management policies etc. thus it is cautionary that the ultimate results may differ from predictions made in this statement.

## REPORT ON CORPORATE GOVERNANCE

### Company's Philosophy on Corporate Governance

Corporate Governance for Shaily Engineering Plastics Limited is about achieving the highest standards of integrity, transparency and accountability. Shaily Engineering Plastics Limited ("SEPL" or "the Company") believes in adopting and adhering to internationally best recognised corporate governance practices and continuously benchmarking itself against each such practice. The Company understands and respects its fiduciary role and responsibility to all the stakeholders and strives hard to meet their expectations. The Company believes that best Board practices, transparent disclosures and shareholder empowerment are necessary for creating shareholder value.

### The Board of Directors

As on March 31, 2015, the company's Board consisted of nine Directors, four of them are Executive Directors and four are non-executive Independent Directors and one Non Executive Non Independent Director. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and expertise to the Board.

The Board's composition is in conformity with the provisions of the Companies Act, 2013. The Company is in process to have a balance composition of Board of Directors. The composition of the Board of the Company is as under.

### Category of directorship

Executive Directors –	Mr. Mahendra Sanghvi – Chairman & Managing Director <sup>1</sup> Mr. Laxman Sanghvi Mrs. Tilottama Sanghvi Mr. Amit Sanghvi <sup>1</sup>
Non-Executive Independent Directors –	Mr. A.S. Anand Kumar Mr. Sarup Chowdhary Mr. Pushp Raj Singhvi Mr. Milin Mehta <sup>§</sup>
Non-Executive Non-Independent Directors –	Mr. William Sean Sovak <sup>**</sup> Mr. Piyush Verma <sup>*</sup> Mr. Samaresh Parida <sup>***</sup>

\* Appointed as an Alternate Director to Mr. William Sean Sovak, director w.e.f. 20<sup>th</sup> December, 2014 and ceased to be a Alternate Director w.e.f. 13<sup>th</sup> January, 2015

# Ceased to be a Director w.e.f. 08<sup>th</sup> November, 2014.

§ Appointed as Additional Director w.e.f. 08<sup>th</sup> November, 2014.

\*\* Change in designation as Non Executive non Independent Director w.e.f. 08<sup>th</sup> August, 2014.

<sup>1</sup> In the Meeting of Board of Directors held on 16<sup>th</sup> May, 2015 the designation of Mr. Mahendra Sanghvi and Mr. Amit Sanghvi has changed from Managing Director to Executive Chairman and from Whole time Director to Managing Director, respectively, subject to the approval of the members in the ensuing Annual General Meeting.

### Directorships and Chairmanships / Memberships of Committees of each Director in various companies as on 31<sup>st</sup> March, 2015:

Name of the Directors	Attendance at last AGM	No. of Directorship(s) <sup>1</sup>	No. of Membership(s)/Chairmanship(s) of Board Committees <sup>2</sup>
Mr. Mahendra Sanghvi	Y	3	4 (including 1 as Chairman)
Mr. Laxman Sanghvi	Y	1	1
Mrs. Tilottama Sanghvi	Y	1	-
Mr. Amit Sanghvi	Y	1	-
Mr. Sarup Chowdhary	N	1	1
Mr. A.S. Anand Kumar	Y	2	3 (including 2 as Chairman)
Mr. William Sean Sovak	N	2	3 (including 1 as Chairman)
Mr. Pushp Raj Singhvi	N	3	2 (including 1 as Chairman)
Mr. Milin Mehta <sup>§</sup>	N.A	3	4 (including 2 as Chairman)

<sup>1</sup> Excluding Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.

<sup>2</sup> Includes only Audit Committee and Shareholders' / Investors' Grievance Committee in all public limited companies.

<sup>§</sup> Appointed as Additional Director w.e.f. 08<sup>th</sup> November, 2014.

None of the directors was a member in more than 10 committees, or a chairman in more than 5 committees across all companies in which he/she was a director.

### Code of Conduct

The Company is committed to conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. The Company believes that a good corporate governance structure would not only encourage value creation but also provide accountability and control systems commensurate with the risks involved.

The Board of Directors has laid down Code of Conduct for all the Board members and senior officers of the Company. A copy of the said code has been posted on the web site of the Company at [www.shaily.com](http://www.shaily.com).

The code has been circulated to all the members of the Board and Senior Management and the compliance of same has been affirmed by them. A declaration signed by Executive Director is given below:

*"I hereby confirm that the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the financial year 2014-15"*

**Laxman Sanghvi**  
Executive Director  
DIN : 00022977

### Board Meetings

Seven Board Meetings were held during the year ended 31<sup>st</sup> March 2015. These were held on 17<sup>th</sup> May 2014, 08<sup>th</sup> August 2014, 08<sup>th</sup> November 2014, 20<sup>th</sup> November, 2014, 22<sup>nd</sup> November, 2014, 31<sup>st</sup> December, 2014 & 31<sup>st</sup> January, 2015.

#### Board Meeting Attendance of Directors during F.Y.2014-15

Name of the Directors	No. of Meetings Attended	
	through teleconferencing <sup>1</sup>	Personally present
Mr. Mahendra Sanghvi	0	6
Mr. Laxman Sanghvi	0	7
Mrs. Tilottama Sanghvi	0	6
Mr. Amit Sanghvi	0	5
Mr. A.S. Anand Kumar	3	4
Mr. Sarup Chowdhary	2	4
Mr. William Sean Sovak* *	1	3
Mr. Pushp Raj Singhvi	2	3
Mr. Samaresh Parida* **	0	2
Mr. Piyush Verma*	2	0
Mr. Milin Mehta <sup>§</sup>	1	4

\* Appointed as an Alternate Director to Mr. William Sean Sovak, director w.e.f. 20<sup>th</sup> December, 2014 and ceased to be a Alternate Director w.e.f. 13<sup>th</sup> January, 2015

# Ceased to be a Director w.e.f. 08<sup>th</sup> November, 2014.

§ Appointed as Additional Director w.e.f. 08<sup>th</sup> November, 2014.

\*\* Change in designation as Non Executive non Independent Director w.e.f. 08<sup>th</sup> August, 2014.

<sup>1</sup>Directors has participated through teleconferencing, though company has paid sitting fees but their presence did not counted for the purpose of quorum.

### Information supplied to the Board

Agenda and notes on agenda are circulated to the Directors, in advance, in the defined agenda format. All material information is incorporated in the agenda papers for facilitating meaningful and focussed discussion at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect

in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted with the approval of the Chairman.

The information placed before the Board includes, Business plans, capital budgets and any updates, quarterly financial statement and status of project implementation and expected date of commissioning of the project, quarterly status of unutilised money received in Preferential allotment of shares, minutes of previous board meeting and meetings of audit committee and other committees of the Board, General notices of interest of directors, terms of reference of board committees, etc.

The Company receives reports from all the departments certifying the compliance of statutory law, rules and regulations applicable to the respective department on quarterly basis. On the basis of these reports, the Managing Director certifies to the Board the status of compliance of all statutory laws, rules and regulations, as they are applicable to the Company.

### Committees of the Board

Currently, the Board has four key committees:

- Audit Committee
- Shareholders'/Investors' Grievance Committee
- Nomination & Remuneration Committee
- Corporate Social Responsibility Committee

The Directors are paid sitting fees for attending these four key committee meetings.

The Board has also formed three other committees: *Share Transfer Committee, Finance Committee and Management Committee*. These committees meet as and when the need arises and the minutes of their meetings are placed before the Board in its next meeting.

The constitution and power of all the committees is decided by Board.

### Audit Committee

The Audit Committee of the Board consists of three independent directors and one non-executive director.

The composition, role, terms of reference as well as power of the Audit Committee are in accordance with the provisions of clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013. The members of the Audit Committee possess financial / accounting expertise / exposure and have in depth financial knowledge as listed below:

Name of the Members	Qualification	Expertise
Mr. A.S. Anandkumar	CAIIB, Master Degree in Mathematics	Banking, Financial advisory and related activities
Mr. Sarup Chowdhary	Chemical Engineering from IIT, Delhi	High Polymers, Manufacturing, Project Management, Sales and Marketing
Mr. William Sean Sovak	Bachelors of Science, Economics, Finance; The Wharton School of Business of the University of Pennsylvania	Investor and Fund Manager.
Mr. Samaresh Parida <sup>#</sup>	Chartered Accountant, Cost Accountant, MBA from the Indian Institute of Management, Ahmedabad	Financial management, budgeting, reporting, profit centre management, operations, strategy, M&A including deal making, due diligence and acquisition integration in India and key global markets.
Mr. Milin Mehta <sup>§</sup>	Chartered Accountant, Law Graduate, Master of Commerce	Providing consultancy to various corporate and non-corporate bodies in the area of strategy, taxation (domestic and international) and Mergers, Acquisitions, Joint Ventures, etc. Strategic advisors to several industrial groups, especially the groups which have multi-country operations.

Apart from overseeing and monitoring the financial reporting system within the company and considering un-audited and audited financial results for the relevant period, before being adopted by the Board of Directors, Audit Committee focused its attention on several important topics and continued to advise the management on areas where greater internal audit focus was needed, and on new areas to be taken up for audit purposes.

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013 as applicable, besides other terms as may be referred by the Board of Directors.

#### **Powers of the Audit Committee**

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary

#### **Role of the Audit Committee, inter alia, includes the following:**

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Recommending the appointment, remuneration and terms of appointment of statutory auditors including cost auditors of the Company
- Approving payment to statutory auditors, including cost auditors, for any other services rendered by them
- Reviewing with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by the management;
  - Significant adjustments made in financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and
  - Qualifications in draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
- reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter
- Reviewing and monitoring the auditors independence and performance, and effectiveness of audit process
- Approval or any subsequent modification of transactions of the Company with related parties
- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the Company, wherever it is necessary
- Evaluation of internal financial controls and risk management systems

- Reviewing, with the management, the performance of statutory auditors and internal auditors, adequacy of internal control systems
- Discussion with internal auditors of any significant findings and follow-up thereon
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern
- To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- To review the functioning of the Vigil Mechanism and Whistle Blower mechanism
- Approval of appointment of the CFO (i.e. the wholtime Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background, etc. of the candidate
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Four Audit Committee Meetings were held during the year ended 31<sup>st</sup> March 2015. These were held on 17<sup>th</sup> May 2014, 08<sup>th</sup> August 2014, 08<sup>th</sup> November 2014 & 31<sup>st</sup> January, 2015. Company Secretary of the Company also acted as the Secretary of this committee. The Minutes of the Audit Committee are circulated to the Board of Directors.

The audit committee has been reconstituted twice in the year in the meeting dated 17<sup>th</sup> May, 2014 and 08<sup>th</sup> November, 2014, in compliance with the Companies Act, 2013 and due to resignation of Mr. Samaresh Parida from the Board, respectively.

#### *Audit Committee Composition & Attendance during F.Y.2014-15*

Name of the Directors	Designation	No. of Meetings Attended	
		through teleconferencing <sup>1</sup>	Personally present
Mr. A.S Anandkumar	Chairman	0	4
Mr. William Sean Sovak	Member	0	2
Mr. Sarup Chowdhary	Member	1	3
Mr. Samaresh Parida <sup>#</sup>	Member	0	3
Mr. Milin Mehta <sup>§</sup>	Member	0	1

<sup>#</sup> Ceased to be a Director w.e.f. 08<sup>th</sup> November, 2014.

<sup>§</sup> Appointed as Additional Director w.e.f. 08<sup>th</sup> November, 2014.

<sup>1</sup>Directors has participated through teleconferencing, though company has paid sitting fees but their presence did not counted for the purpose of quorum.

#### **Vigil Mechanism/Whistle Blower Policy**

The Company has a Vigil Mechanism/Whistle blower Policy to deal with the instances of fraud and mismanagement, if any. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. Company affirms that no personnel has been denied access to the audit committee. Vigil Mechanism/Whistle blower Policy is available on the Company's website [http://www.shaily.com/userfiles/file/Vigil\\_Mechanism\\_Policy.pdf](http://www.shaily.com/userfiles/file/Vigil_Mechanism_Policy.pdf)

#### **Shareholders' / Investors Grievance Committee**

It consists of one independent director, one non-executive director and one non-independent executive director.

The Shareholders'/Investors' Grievance Committee specifically looks into the redressal of shareholder and investors complaints.

No complaints/queries have been received during the F.Y. 2014-15. The certificate in respect of status of complaints/queries received from the Shareholders'/Investors has been obtained for all the four quarters of F.Y.2014-15 from M/s. S. Samdani & Associates, Company Secretaries.

Mr. Sanjay Shah, CFO & Vice President – Finance is the Compliance Officer for complying with the requirements of Securities Laws and the Listing Agreement.

One Shareholders'/Investors' Grievance Committee Meeting was held during the year ended 31<sup>st</sup> March 2015 on 17<sup>th</sup> May 2014.

*Shareholders'/Investors' Grievance Committee Composition & Attendance during F.Y. 2014-15*

Name of the Directors	Designation	No. of Meetings Attended
Mr. William Sean Sovak	Chairman	1
Mr. A.S. Anand Kumar	Member	1
Mr. Laxman Sanghvi	Member	1

**Nomination & Remuneration Committee**

In compliance with Section 178 of the Companies Act, 2013, the Board has renamed existing "Remuneration/Selection Committee" as the "Nomination & Remuneration Committee".

Two Nomination & Remuneration Committee Meetings were held during the year ended 31<sup>st</sup> March 2015 on 08<sup>th</sup> August, 2014 and 08<sup>th</sup> November, 2014.

*Nomination & Remuneration Committee Composition & Attendance during F.Y.2014-15*

Name of the Directors	Designation	No. of Meetings Attended	
		through teleconferencing <sup>1</sup>	Personally present
Mr. Sarup Chowdhary	Chairman	1	1
Mr. William Sean Sovak	Member	1	1
Mr. Pushp Raj Singhvi	Member	1	1
Mr. Mahendra Sanghvi <sup>##</sup>	Member	-	-

<sup>##</sup> Appointed w.e.f. 08<sup>th</sup> November, 2014.

<sup>1</sup>Directors has participated through teleconferencing, though company has paid sitting fees but their presence did not counted for the purpose of quorum.

The Nomination and Remuneration Policy recommended by Nomination and Remuneration committee has been accepted by the Board of Directors. The Nomination and Remuneration Policy is attached to the report as *Annexure I* to the report of Board and is also available on the Company's website <http://www.shaily.com/userfiles/file/documents/Nomination%20&%20Remuneration%20Policy.pdf>

Terms of Reference of the Committee, inter alia, includes the following:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal
- To carry out evaluation of every Director's performance
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees
- To formulate the criteria for evaluation of Independent Directors and the Board
- To devise a policy on Board diversity
- To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

## Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and clause 49 of the listing agreement the Nomination and Remuneration Committee lays down the criteria for performance evaluation of independent directors and other directors, Board of Directors and Committees of the Board of Directors. The criteria for performance evaluation covers the areas relevant to their functioning as independent directors or other directors, member of Board or Committees of the Board. The separate exercise was carried out to evaluate the performance of Individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, Preparedness and attendance at meetings, Interpersonal skills, Confidentiality etc., The performance Evaluation of the Independence Directors was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.

## Familiarisation Programme

The Company has conducted familiarisation programme on as needed basis during the year. The programme inter alia explains the role, functions, responsibilities and duties of directors of the Company. The Director is also explained in detail the compliance required from him under the Companies Act, 2013 Clause 49 of the listing agreement and other relevant regulations and his affirmation taken with respect to the same. The details of such familiarisation programme is posted on the website of the company and can be accessed at <http://www.shaily.com/userfiles/file/documents/familiarisation%20programme.pdf>

## Corporate Social Responsibility Committee

In compliance with the Section 135 of the Companies Act, 2013, the Corporate Social Responsibility was constituted on 17<sup>th</sup> May, 2014. The terms of reference of this committee is to comply with the requirements of section 135 of the Companies Act, 2013 the Companies (Corporate Social Responsibility Policy) Rules, 2014 and all other relevant compliances.

This Committee discharges the role of Corporate Social Responsibility Committee under Section 135 of the Companies Act, 2013 which includes:

- formulating and recommending to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company as per Schedule VII to the Companies Act, 2013;
- recommending the amount of expenditure to be incurred; and
- monitoring the CSR Policy of the Company.

The Committee met once during the financial year 2014.15 on 08<sup>th</sup> August, 2014 to finalise the Corporate Social Responsibility Policy and was approved by the Board.

The Policy is available on the Company's website [http://www.shaily.com/userfiles/file/Corporate\\_Social\\_Responsibility\\_Policy.pdf](http://www.shaily.com/userfiles/file/Corporate_Social_Responsibility_Policy.pdf)

### *Corporate Social Responsibility Committee Composition & Attendance during F.Y.2014-15*

Name of the Directors	Designation	No. of Meetings Attended
Mr. Pushp Raj Singhvi	Chairman	1
Mr. Laxman Sanghvi	Member	1
Mr. Tilottama Sanghvi	Member	1

## Independent Directors meeting

During the year under review, the independent Directors met on 31<sup>st</sup> January, 2015, inter alia, to discuss:

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

All the Independent Directors were present at the Meeting.

### General Body Meetings

The detail of last three Years Annual General Meetings of the Company are as follows:

Financial Year Ended	Date, Time & Place	Transaction
31 <sup>st</sup> March 2012	04.08.2012 11.00 A.M.Rania, Vadodara	Special Resolution passed for appointment of Mr. Amit Sanghvi as Whole-Time Director.
31 <sup>st</sup> March 2013	10.08.2013 12.30 P.M.Rania, Vadodara	1. Special Resolution passed for re-appointment of Mr. Mahendra Sanghvi as Managing Director. 2. Special Resolution passed for re-appointment of Mr. Laxman Sanghvi as Executive Director.
31 <sup>st</sup> March, 2014	20.09.2014 2.00 p.m.Rania, Vadodara	1. Special Resolution passed for re-appointment of Mrs. Tilottama Sanghvi as Whole time Director. 2. Special Resolution passed for re-appointment of Mr. Amit Sanghvi as Whole time Director. 3. Special resolution passed for approval of Section 180(1) (a) of the Companies Act, 2013 for creation of charges/ mortgage/ hypothecation. 4. Special resolution passed for approval of Section 180(1)(c) of the Companies Act, 2013 for borrowing limits of the Company. 5. Special resolution passed for approval of waiver of recovery of remuneration paid to Mr. Samaresh Parida for 1 <sup>st</sup> July, 2013 to 31 <sup>st</sup> March, 2014. 6. Special resolution passed for approval of Professional fees paid to Mr. Samaresh Parida. 7. Special resolution passed for approval of Adoption of Articles of Association of the Company.

Extra Ordinary General Meeting held on 20th December, 2014-

1. Special resolution passed for approval of Preferential issue upto 1,000,000 equity shares of face value ` 10/- each to Mr. Ashish Kacholia at a price of ` 251/- per equity share (i.e. Premium of ` 241/- per equity share) on a preferential allotment basis.

During the year ended 31<sup>st</sup> March 2015, there were no ordinary or special resolution that were required to be passed by our shareholders through postal ballot.

### Disclosures

#### Basis of related party transactions

- 1 During the year 2014.15, the Company had no materially significant related party transaction, which is considered to have potential conflict with the interests of the Company at large. The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions and during the year ended 31<sup>st</sup> March 2015 there were no material transactions with related parties. The policy is available on the website of the Company <http://www.shaily.com/userfiles/file/Related%20Party%20Transaction%20Policy.pdf>
- 2 A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the audit committee.
3. Except as specified, the non-executive and/or independent directors on the Company's Board, apart from receiving Directors' remuneration, do not have any other material pecuniary relationship or transaction with the Company, its promoters, its management, which in the judgement of the Board affect the independence of judgement of the Directors.

4. The Company has taken on lease the Office premises from M/s. Jariwala Shah Kanji Raichand & Co., in which Mr. Jayesh Shah is the Proprietor, who is brother of Mrs. Tilottama Sanghvi, Whole-Time Director of the Company. The company has also taken on lease an office premises from Mrs. Tilottama Sanghvi who is a Whole-Time Directors of the company. The Company has paid a salary to Mrs. Kinjal Bhavsar (Sanghvi) who is wife of Mr. Amit Sanghvi and daughter in law of Mr. Mahendra Sanghvi and Mrs. Tilottama Sanghvi. The Company has entered in to the transaction with the Integra Engineering India Ltd. In which Mr. Mahendra Sanghvi is on the Board of the Company.
5. The register of contract with related party and contracts and Bodies etc. in which Directors are interested pursuant to section 189(1) and rule 16(1) containing the transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with related party are disclosed in the notes to the AnnualAccounts in the Annual Report.
6. None of the transactions with any of the related parties were in conflict with the interest of the Company. There has not been any non compliance, penalties and no strictures were imposed on the Company by Stock Exchanges, SEBI or any other statutory authority, on any matter related to capital markets, during the year under review.

#### Remuneration of Directors

Name of Director	Relationship with other Directors	Business relationship with company	Remuneration for the year ended 31 <sup>st</sup> March 2015 ( ` )				
			Sitting fee	Basic	Perquisite/ allowances	Others	Total
Mr. Mahendra Sanghvi	Note 1	Promoter	Nil	4,586,760	2,489,425	917,352	7,993,537
Mr. Laxman Sanghvi	Note 1	Promoter	Nil	3,184,704	1,723,136	636,941	5,544,781
Mrs. Tilottama Sanghvi	Note 1	Promoter	Nil	1,698,240	961,716	339,648	2,999,604
Mr. Amit Sanghvi	Note 2	Promoter group	Nil	2,717,400	1,538,736	543,480	4,799,616
Mr. A.S. Anandkumar	None	None	2,65,000	Nil	Nil	Nil	2,65,000
Mr. Sarup Chowdhary	None	None	2,40,000	Nil	Nil	Nil	2,40,000
Mr. William Sean Sovak **	None	Note 3	Nil	Nil	Nil	Nil	Nil
Mr. Pushp Raj Singhvi	None	None	1,85,000	Nil	Nil	Nil	1,85,000
Mr. Samaresh Parida ***	None	None	90,000	11,54,348	Nil	Nil	12,44,348
Mr. Piyush Verma*	None	None	60,000	Nil	Nil	Nil	60,000
Mr. Milin Mehta <sup>§</sup>	None	None	1,65,000	Nil	Nil	Nil	1,65,000

\* Appointed as an Alternate Director to Mr. William Sean Sovak, director w.e.f. 20<sup>th</sup> December, 2014 and ceased to be a Alternate Director w.e.f. 13<sup>th</sup> January, 2015

# Ceased to be a Director w.e.f. 08<sup>th</sup> November, 2014.

§ Appointed as Additional Director w.e.f. 08<sup>th</sup> November, 2014.

\*\* Change in designation as Non Executive non Independent Director w.e.f. 08<sup>th</sup> August, 2014.

Note 1: Mr. Mahendra Sanghvi and Mr. Laxman Sanghvi are brothers and Mrs. Tilottama Sanghvi is the spouse of Mr. Mahendra Sanghvi.

Note 2: Mr. Amit Sanghvi is the son of Mr. Mahendra Sanghvi and Mrs. Tilottama Sanghvi.

Note 3: Mr. William Sean Sovak has been appointed by Motika Limited, a company incorporated under the law of Cyprus, holding 1044454 equity shares of ` 10/- each of the Company.

A sitting fee of ` 20,000/- per meeting was paid to the each non-executive directors, for every meeting of the board and ` 10,000/- per meeting was paid for every committee meeting of the Board attended by them before 08<sup>th</sup> August, 2014. With effect from 08<sup>th</sup> August 2014, a sitting fee of Rs. 30,000/- is paid for every board meetings and ` 15,000/- is paid for every committee meeting attended by the non-executive directors.

*Non-executive Directors' shareholding in the company*

<b>Name of the Directors</b>	<b>No. of Equity Shares held</b>
Mr. A.S. Anand Kumar	Nil
Mr. Sarup Chowdhary	Nil
Mr. Pushp Raj Singhvi	Nil
Mr. Piyush Verma*	Nil
Mr. Samaresh Parida***	Nil
Mr. Milin Mehta <sup>§</sup>	Nil
Mr. William Sean Sovak **	Nil

\* Appointed as an Alternate Director to Mr. William Sean Sovak, director w.e.f. 20<sup>th</sup> December, 2014 and ceased to be a Alternate Director w.e.f. 13<sup>th</sup> January, 2015

# Ceased to be a Director w.e.f. 08<sup>th</sup> November, 2014.

§ Appointed as Additional Director w.e.f. 08<sup>th</sup> November, 2014.

\*\* Change in designation as Non Executive non Independent Director w.e.f. 08<sup>th</sup> August, 2014.

Shaily Engineering Plastics Limited has no stock option plans and hence it does not form a part of the remuneration package payable to any executive and/or non-executive director.

### **Appointment / Re-appointment of Directors**

Mr. Samaresh Parida resigned as Director of the Company w.e.f. 08<sup>th</sup> November, 2014 and appointed Mr. Milin Mehta as an Additional Director w.e.f. 08<sup>th</sup> November, 2014 in the Board meeting held on 08<sup>th</sup> November, 2014. His appointment is proposed to be regularized in the ensuing Annual General Meeting.

Mr. Piyush Verma who was appointed as an Alternate Director to Mr. William Sean Sovak w.e.f. 20<sup>th</sup> December, 2014 automatically vacated his office on arrival of regular director Mr. William Sean Sovak on 13<sup>th</sup> January, 2015 to India. Hence Mr. Piyush Verma ceased to be an Alternate Director to Mr. William Sean Sovak.

The Board of Directors had on recommendation of the Nomination & Remuneration Committee change in designation of Mr. Samaresh Parida and Mr. William Sean Sovak as Non Executive Non Independent Director w.e.f. 08<sup>th</sup> August, 2014.

Mr. Amit Sanghvi, Director will be retiring by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment.

The Board of Directors had on recommendation of the Nomination & Remuneration Committee re-designated (Change in designation) Mr. Mahendra Sanghvi and Mr. Amit Sanghvi as Executive Chairman and Managing Director respectively w.e.f. 16<sup>th</sup> May, 2015 subject to the approval of members at the ensuing Annual General Meeting.

Brief resumes of all these directors are included in the Notice of Annual General Meeting. Your directors have pleasure in recommending their appointment / re-appointment.

### **Management Discussion and Analysis**

Management Discussion & Analysis has been included separately in the Annual report to the Shareholders.

### **Report on Corporate Governance**

The quarterly compliance report for each quarter of the F.Y. 2014.15 has been submitted to the Stock Exchanges where the Company's equity shares are listed in the requisite format, duly signed by the Compliance Officer.

### **CEO & CFO Certification**

The CEO & CFO have issued certificate pursuant to the provisions of clause 49 of the Listing Agreement certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is Annexure VIII and forms part of the Annual Report.

### Prevention of Insider Trading

The company has adopted a Code of conduct for Prevention of Insider Trading with a view to regulate trading in securities by Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the company and during the period when Trading Window is closed. The Compliance officer is responsible for implementation of the Code.

### General Shareholder Information

#### Annual General Meeting

Date	Saturday, 08 <sup>th</sup> August, 2015
Time	12.00 noon.
Venue	Survey No. 364/366, At & Po. Rania - 391780, Taluka Savli, Dist. Vadodara
Book Closure Dates for AGM and dividend	01 <sup>th</sup> August, 2015 to 08 <sup>th</sup> August, 2015 (both days inclusive)

#### Financial Year

1<sup>st</sup> April to 31<sup>st</sup> March.

<b>Share Capital</b>	
Authorized Share Capital	₹ 160,000,000
Paid up Share Capital	₹ 83,184,300

#### Listing Details

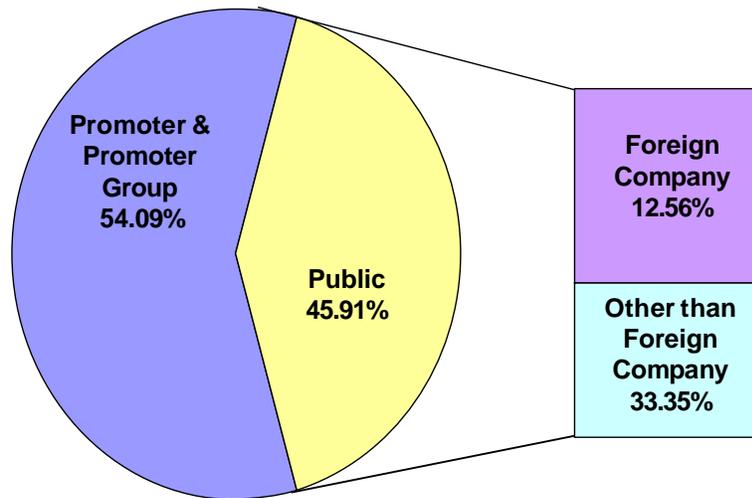
Security	Equity Shares
Stock Exchange	BSE Limited
Stock Code	501423
ISIN	INE151G01010

#### Dividend payment Date

Directors have recommended dividend of ₹ 2/- (20%) per equity share for the year ended 31<sup>st</sup> March, 2015 subject to the approval of the members at the ensuing Annual General Meeting. If dividend is declared at the Annual General Meeting, the dividend will be credited/dispatched between 9<sup>th</sup> August, 2015 to 15<sup>th</sup> August, 2015.

#### Share Transfer System

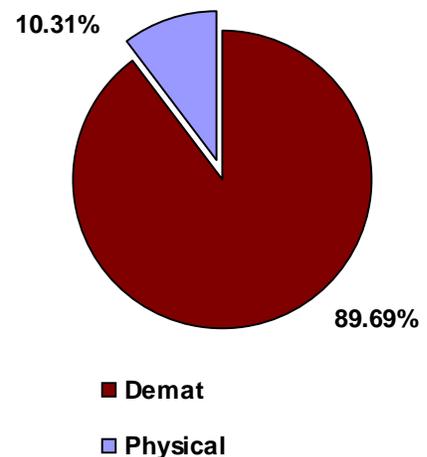
Share transfers are processed and share certificates duly endorsed are delivered within the prescribed time limit from the date of receipt, subject to documents being valid and complete in all respects. The Share transfer Committee of the Directors has been formed for approving transfer, transmission etc., of the Company's securities. The summary of transfer / transmission of securities of the Company so approved by the Committee is placed at every Board Meeting/ Shareholder/ Investors' grievance Committee. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement and files a copy of said certificate to the stock exchange.

Shareholding pattern as on 31<sup>st</sup> March 2015Distribution of shareholding as on 31<sup>st</sup> March 2015

No. of Shares	No. of Shareholders	% of total no. of shareholders	No. of Shares	% of total shares
1 – 5000	390	89.66%	153349	1.84%
5001 – 10000	11	2.53%	86536	1.04%
10001 – 20000	8	1.84%	125255	1.51%
20001 – 30000	3	0.69%	68444	0.82%
30001 – 40000	2	0.46%	70000	0.84%
40001 – 50000	1	0.23%	50000	0.60%
50001 – 100000	4	0.92%	278152	3.34%
100001 - *****	16	3.68%	7486694	90.00%
<b>Total</b>	<b>435</b>	<b>100.00%</b>	<b>8318430</b>	<b>100.00%</b>

Bifurcation of shares held in physical and demat form as on 31<sup>st</sup> March, 2015

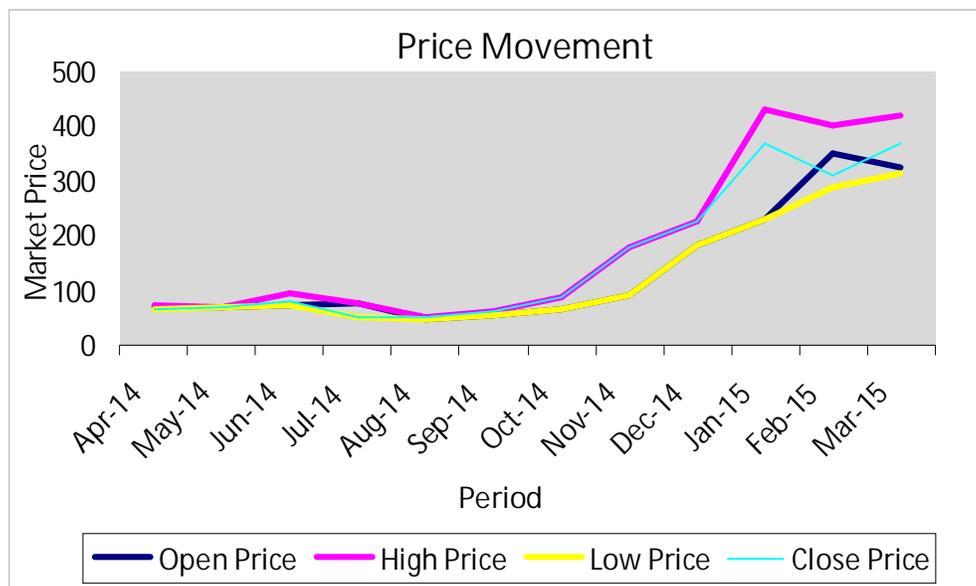
Particulars	No. of Shares	%
Physical Segment	8,57,461	10.31
Demat Segment		
NSDL	48,69,004	58.53
CDSL	25,91,965	31.16
<b>Total</b>	<b>8,318,430</b>	<b>100.00</b>



### Share Price Data

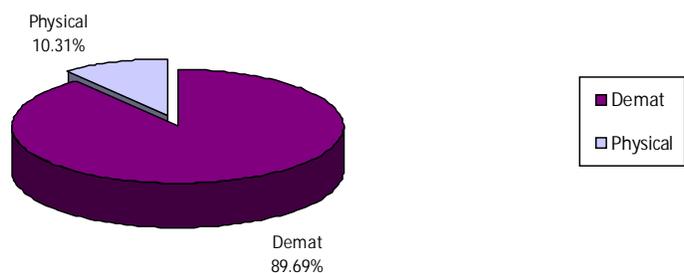
The monthly high and low prices and volumes of shares of the Company at BSE Limited for the year ended 31st March, 2015 are as under:

Month	Open Price	High Price	Low Price	Close Price	Volume
Apr-14	56.7	65.55	56.7	65.55	29
May-14	68.8	72.2	65.4	65.5	639
Jun-14	68.7	70	68.7	70	75
Jul-14	73.5	93.6	73.5	80.4	1505
Aug-14	76.4	76.4	51.1	51.1	142
Sep-14	48.55	51.8	47	51.8	300
Oct-14	54.35	62.85	54.35	62.85	39
Nov-14	65.95	88.25	65.95	88.25	94
Dec-14	92.65	178	92.65	178	531
Jan-15	181.55	225.4	181.55	225.4	486
Feb-15	229.9	431.7	229.9	369.2	1043010
Mar-15	350.8	400.4	287.2	310	95062



### Dematerialization of shares

As on 31<sup>st</sup> March 2015, 19,29,467 Equity shares have been dematerialised and the balance of issued capital is in physical form.



### Additional Disclosures

1. The Company has established procedures to enable its Board to periodically review compliance of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliance.
2. The Managing Director and Executive Director have certified to the Board with regard to the Financial Statements and other matters as required in clause 49 of the Listing Agreement.
3. The Company has already defined and adopted a Risk Management Policy, and has also set up a core group, which assesses the risks and lays down the procedure for minimization of the risks. The above will facilitate not only in risk assessment and timely rectification but also help in minimization of risk associated with any strategic, operational, financial and compliance risk across all business operations. These control procedures and systems ensure that the Board is periodically informed on the material risks faced by the Company and the steps taken by the Company to alleviate those risks.
4. The Company promotes ethical behaviour in all its business activities and has put in place mechanism of reporting illegal or unethical behaviour. Employees are free to report existing/probable violation of laws, rules, regulations or unethical conduct to their immediate supervisor/notified person. The Directors and Senior Management are obliged to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practice.

### Adoption of non-mandatory requirements of Clause 49 of the Listing Agreement

Reporting of Internal Auditor of the Company submits report to the Audit Committee regularly.

### Certificate on Corporate Governance from Practising Company Secretary

The Company has obtained certificate from M/s Samdani Shah & Associates, Practising Company Secretary regarding compliance with the provisions relating to the Corporate Governance laid down in Clause 49 of the Listing Agreement with the stock exchange. This report is annexed to the Board's Report for the year 2014-15 as Annexure VII, and will be sent to the stock exchange along with this annual report to be filed by the Company.

### Plant Locations

The company owns 5 plants, out of these, 4 plants are located in the company's Rania complex and one plant is in Halol.

Rania Plant	EOU Plant	Finishing Division	CRC Project	Halol Plant
Survey No. 364/366 At & Po. Rania – 391780, Taluka Savli, Dist. Vadodara Gujarat, India	364/3	364/1-2(A)	363	Plot # 706,707,708 GIDC, Halol Dist. Panchmahals, Gujarat, India

## Communication to Shareholders

Effective communication of information is an essential component of corporate governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management-shareholder relations. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual report, Company's website and subject specific communications.

Quarterly Report sent to each household of shareholders	The results of the Company are published in the newspapers.
Quarterly results and in which newspaper normally published	The results of the Company are generally published in Business Standard (English) nationwide and Vadodara Samachar in Gujarat Editions.
Website where displayed	The results are displayed on the Company's website <a href="http://www.shaily.com">www.shaily.com</a>
Whether the website displays the presentation made to the institutional investors and to the analysts.	The website of the Company displays the presentations.

All shareholders' correspondence should be forwarded to M/s. Bigshare Services Pvt. Ltd., the Registrar and Transfer Agent of the Company or to the Secretarial Department of the Company at the addresses mentioned below.

The Company's dedicated e-mail address for Investors' Complaints is [investors@shaily.com](mailto:investors@shaily.com)

The Secretarial Department	The Compliance Officer
Shaily Engineering Plastics Limited Survey No. 364/366, At & Po. Rania – 391780, Taluka Savli, Dist. Vadodara, Gujarat, India Ph:+91 2667 244307/244348/244361 Fax No.:+91 2667 244372 E-mail : <a href="mailto:secretarial@shaily.com">secretarial@shaily.com</a>	Shaily Engineering Plastics Limited 8, J.P. Nagar, Old Padra Road, Opp Aviskar Complex, Baroda – 390 015 Gujarat, India

Bigshare Services Pvt. Ltd.
E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai: 400 072. Tel: +91 22 28470744 E-mail : <a href="mailto:bigshare@bom7.vsnl.net.in">bigshare@bom7.vsnl.net.in</a> , Website : <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>

## INDEPENDENT AUDITORS' REPORT

**To the Members of  
SHAILY ENGINEERING PLASTICS LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Shaily Engineering Plastics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information for the year then ended.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that :
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No. 117364W)

Place : Vadodara  
Date : 16.05.2015

**Gaurav J. Shah**  
Partner  
(Membership No.35701)

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) All the assets have been physically verified by the management during the year and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventory:
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) In respect of loans, secured or unsecured, granted by the Company to other companies, firms or other parties covered in the Register maintained under Section 189 of the Act, according to the information and explanations given to us:
  - (a) In the absence of stipulations, the regularity of the receipts of the principal amounts and interest has not been commented upon.
  - (b) There is no overdue amount in excess of Rs. 1 lakh in respect of loans granted to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.

In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 189 of the Act, according to the information and explanations given to us, the Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.

- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct any major weaknesses in such internal control system.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) The Company is not required to maintain cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act. Therefore, the provisions of clause (vi) of Paragraph 3 of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.

(vii) According to the information and explanations given to us in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth tax, custom duty, excise duty, value added tax, cess and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
- (c) Details of dues of sales tax, service tax, custom duty, excise duty, value added tax and cess which have not been deposited as on 31<sup>st</sup> March, 2015 on account of disputes are given below:

Name of the statute	Nature of the dues	Amount ( ` )	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise duty	9,303,350	Various years	Assistant Commissioner
The Central Excise Act, 1944	Excise duty	4,099,744	Various years	Commissioner (Appeals)
The Central Excise Act, 1944	Excise duty	4,485,588	Various years	CESTAT
The Income Tax Act, 1961	Income Tax	246,370	2007-08	Income Tax (Appeals)
The Sales Tax Act, 1956	Sales Tax	572,903	1996-97	Sales Tax Department (Appeals)

- (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (viii) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institution. The Company has not issued any debentures.
- (x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions, the terms and conditions whereof are prejudicial to the interest of the company. Therefore the provisions of clause (x) of Paragraph 3 of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No. 117364W)

Place : Vadodara  
Date : 16.05.2015

**Gaurav J. Shah**  
Partner  
(Membership No.35701)

**BALANCE SHEET AS AT 31ST MARCH 2015**

Particulars	Note No.	As at 31-Mar-15	As at 31-Mar-14
<b>I. EQUITY &amp; LIABILITIES</b>			
1 Shareholders' Funds			
(a) Share Capital	3	83,184,300	73,184,300
(b) Reserves & Surplus	4	699,505,480	352,372,362
		<u>782,689,780</u>	<u>425,556,662</u>
2 <b>Non-Current Liabilities</b>			
(a) Long Term Borrowings	5	327,474,045	381,504,829
(b) Deferred Tax Liabilities(net)		49,754,851	31,822,598
(c) Other Long Term Liabilities	6	20,186,358	14,103,563
(d) Long Term Provisions	7	8,220,480	4,897,033
		<u>405,635,734</u>	<u>432,328,023</u>
3 <b>Current Liabilities</b>			
(a) Short Term Borrowings	8	369,159,988	215,237,145
(b) Trade Payables	9	151,332,893	271,360,801
(c) Other Current Liabilities	10	195,445,789	87,625,820
(d) Short Term Provisions	11	20,456,066	4,026,124
		<u>736,394,736</u>	<u>578,249,890</u>
	<b>Total</b>	<b><u>1,924,720,250</u></b>	<b><u>1,436,134,575</u></b>
<b>II. ASSETS</b>			
1 <b>Non-Current Assets</b>			
(a) Fixed Assets	12		
(i) Tangible assets		764,496,328	465,825,947
(ii) Intangible assets		3,892,560	1,553,448
(iii) Capital work-in-progress		5,254,039	27,793,052
(iv) Intangible assets under development		2,682,768	768,608
		<u>776,325,695</u>	<u>495,941,055</u>
(b) Non-Current Investments	13	2,745,626	2,745,626
(c) Long Term Loans & Advances	14	90,638,270	80,526,879
(d) Other Non-Current Assets	15	478,050	956,100
2 <b>Current Assets</b>			
(a) Current Investments	16	253,500,000	-
(b) Inventories	17	201,125,419	152,493,912
(c) Trade receivables	18	372,042,190	325,752,588
(d) Cash and cash equivalents	19	58,634,646	244,913,809
(e) Short-term loans and advances	20	168,752,305	132,326,556
(f) Other current assets	21	478,050	478,050
		<u>1,054,532,609</u>	<u>855,964,915</u>
	<b>Total</b>	<b><u>1,924,720,250</u></b>	<b><u>1,436,134,575</u></b>

**See accompanying notes to financial statements**

In terms of our report attached  
**For Deloitte Haskins & Sells**  
Chartered Accountants

**Gaurav J Shah**  
Partner  
M. No: 35701  
Baroda  
16th May 2015

For and on behalf of the Board of Directors  
Amit Sanghvi                      Managing Director  
Laxman Sanghvi                Executive Director  
Sanjay Shah                      Chief Financial Officer  
Apeksha Patel                    Company Secretary  
Baroda  
16th May 2015

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

Particulars	Note No.	For the year ended 31 March, 2015	For the year ended 31 March, 2014
I. Revenue from Operations (gross)	22	1,854,043,675	1,550,874,637
Less: Excise Duty		56,957,623	43,266,838
Revenue from Operations (Net)		1,797,086,052	1,507,607,799
II. Other income	23	15,502,062	5,599,279
<b>III. Total Revenue (I + II)</b>		<b>1,812,588,114</b>	<b>1,513,207,078</b>
<b>IV. Expenses</b>			
Cost of Materials Consumed	24	1,039,816,915	858,312,743
(Increase)/ Decrease in Stocks	25	(10,397,333)	7,613,908
Employee Benefits Expense	26	195,243,849	160,378,352
Finance costs	27	67,191,880	84,452,934
Depreciation and amortization expense		64,188,814	59,585,170
Other Expenses	28	307,577,247	240,477,721
<b>Total Expenses</b>		<b>1,663,621,371</b>	<b>1,410,820,826</b>
<b>V. Profit before tax (III-IV)</b>		<b>148,966,743</b>	<b>102,386,252</b>
VI. Less: Tax expense			
Current tax		31,231,172	35,612,707
MAT Credit Entitlement		(31,231,172)	-
(Excess) provision in earlier years		(19,564)	(147,035)
Net current tax expense		(19,564)	35,465,672
Deferred tax		18,898,658	1,065,535
Net tax expense		<b>18,879,094</b>	<b>36,531,207</b>
<b>Appropriation</b>			
Proposed Dividend		16,636,860	-
Dividend Distribution Tax on proposed dividend		3,326,394	-
<b>VII. Profit after tax (V-VI)</b>		<b>110,124,395</b>	<b>65,855,046</b>
VIII Earnings per equity share (of ₹ 10/- each):			
(1) Basic		14.55	9.00
(2) Diluted		14.55	9.00

**See accompanying notes to financial statements**

29 - 30

In terms of our report attached  
**For Deloitte Haskins & Sells**  
Chartered Accountants  
**Gaurav J Shah**  
Partner  
M. No: 35701  
Baroda  
16th May 2015

For and on behalf of the Board of Directors  
Amit Sanghvi Managing Director  
Laxman Sanghvi Executive Director  
Sanjay Shah Chief Financial Officer  
Apeksha Patel Company Secretary  
Baroda  
16th May 2015

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH , 2015

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>A Cash flow from Operating Activities</b>		
<b>Net Profit before taxation (as per Statement of Profit and Loss)</b>	148,966,743	102,409,312
<b>Adjustments for:</b>		
Depreciation and amortization expense	64,188,814	59,585,170
(Profit) / Loss on sale of Fixed Asset	(950,521)	246,196
Dividend received	(5,025)	(5,025)
Interest income	(11,777,967)	(4,631,899)
Finance costs	67,191,880	70,657,454
Amortisation of share issue expenses and discount on shares	478,050	499,051
Bad debts written off / (written back)	(2,758,885)	1,370,646
Unrealised exchange loss	13,818,086	3,818,481
<b>Operating Profit before working capital changes</b>	<u>279,151,175</u>	<u>233,949,386</u>
<b>Adjustments for:</b>		
(Increase)/Decrease in Trade receivables	(44,982,834)	(71,022,858)
(Increase)/Decrease in Other receivables other than advance tax	(58,476,729)	12,476,949
(Increase)/Decrease in Inventories	(48,631,506)	(27,458,954)
Increase/(Decrease) in Trade Payables	(114,643,312)	93,807,878
Increase/(Decrease) in Other Current Liabilities	58,266,711	(14,222,496)
Cash generated from operations	70,683,505	227,529,905
Taxes paid (Net of refunds)	29,053,578	16,285,833
<b>Net Cash generated from Operating Activities</b>	<u><b>41,629,927</b></u>	<u><b>211,244,072</b></u>
<b>B Cash Flow from Investing Activities</b>		
Purchases of Fixed Assets	(308,549,953)	(161,949,635)
(after adjustment of increase/decrease in creditors-capital goods)		
Interest received	11,777,967	4,631,899
Dividend received	5,025	5,025
Purchase of investments	(253,500,000)	-
Sale of Fixed Asset	2,100,963	1,716,645
Bank balances not considered as cash and cash equivalents	171,849,335	(166,884,553)
<b>Net Cash (used) in Investing Activities</b>	<u><b>(376,316,664)</b></u>	<u><b>(322,480,619)</b></u>
<b>C Cash flow from Financing Activities</b>		
Share capital issued during the year	10,000,000	-
Share premium (after deducting share issue expenses)	238,885,516	-
Proceeds from long term borrowings	82,965,748	290,592,765
Repayment of long term borrowings	(79,890,433)	(80,943,415)
Increase / (Decrease) in borrowings for working capital	153,906,591	(12,933,216)
Finance costs	(85,610,503)	(73,385,900)
<b>Net Cash generated in financing Activities</b>	<u><b>320,256,919</b></u>	<u><b>123,330,234</b></u>

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
D Net Cash flow generated / (used)	(14,429,819)	12,093,687
Cash & Cash Equivalents as at beginning of the year	27,404,275	15,310,588
Cash & Cash equivalents as at end of the year	12,974,446	27,404,275
<b>Net Cash generated/ (used)</b>	<b>(14,429,829)</b>	<b>12,093,687</b>
Note		
1 Cash & Cash equivalents comprises		
Cash on Hand	834,396	524,183
Cheques, drafts on hand		
Balances with banks		
(i) In current accounts	414,030	1,826,132
(ii) In EEFC accounts	11,726,020	25,053,959
<b>Total</b>	<b>12,974,446</b>	<b>27,404,275</b>
2. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in AS-3 on "Cash Flow Statement".		

In terms of our report attached  
**For Deloitte Haskins & Sells**  
Chartered Accountants  
**Gaurav J Shah**  
Partner  
M. No: 35701  
Baroda  
16th May 2015

For and on behalf of the Board of Directors  
Amit Sanghvi                      Managing Director  
Laxman Sanghvi                Executive Director  
Sanjay Shah                      Chief Financial Officer  
Apeksha Patel                    Company Secretary  
Baroda  
16th May 2015

## Notes forming part of the financial statements

### 1 Corporate information

Shaily Engineering Plastics Limited (the Company) is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the manufacture and sale of injection moulded precision plastic components and sub-assemblies. The Company's manufacturing facilities are at Savli and Halol, Baroda, Gujarat, India.

### 2 Significant accounting policies

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

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note 29.8.

#### 2.2 System of Accounting:

The Company has adopted accrual system of accounting.

#### 2.3 Use of Estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent amounts as at the date of financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Such difference is recognized in the periods in which the results are known / materialized.

#### 2.4 Revenue:

Sales and services are accounted inclusive of excise duty but excluding Sales Tax, and are net of returns / discounts / debit notes / reversals.

Revenue from sales of product is recognised on the transfer of substantial risk and rewards of ownership, which generally coincides with the delivery of goods to customers.

Revenue from export incentives in the form of Focus Product Scheme licenses has not been recognised on accrual basis. The same is recognised in books at the time of receipt of license based on realisable value estimated by management.

#### 2.5 Fixed Assets:

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

Capital work-in-progress:

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

## 2.6 Depreciation and Amortisation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for assets individually costing ` 5,000/- or less that are depreciated fully in the year of purchase. Intangible assets are amortised over their estimated useful life (6 years) on straight line method. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

## 2.7 Investments:

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

## 2.8 Inventories:

Inventories are valued at lower of cost and net realisable value. Cost of inventories comprises cost of purchase, cost of conversion and other cost incurred in bringing them to their present location and conditions. The cost of inventories is determined based on the First in First out method.

## 2.9 Employee Benefits:

### Defined Contribution Plan

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

### Defined Benefit Plan

The employees' gratuity fund scheme managed by HDFC Standard Life Insurance is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

## 2.10 Foreign Currency Transactions:

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the date of transaction. Monetary items denominated in foreign currency at the year end are translated at year end rates. In respect of monetary items which are covered by forward exchange contracts, the premium on such forward contracts is recognised over the life of the forward contract. The exchange difference arising on settlement /translation are recognised in the revenue accounts.

## 2.11 Borrowing costs:

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in

connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/ development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

#### 2.12 Taxation:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax asset on account of unabsorbed loss/depreciation is recognised only if virtual certainty, supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability. 'Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

#### 2.13 Miscellaneous Expenditure:

Preliminary expenses are deferred over the period of 10 years.

Expenditure for raising equity/preference shares are deferred over the period of 10 years.

#### 2.14 Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurements are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

#### 2.15 Share issue expenses

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

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	Number of shares		Number of shares	
<b>NOTE 3 SHARE CAPITAL</b>				
<b>A Authorised</b>				
Equity Shares of ` 10 each with voting rights	16,000,000	160,000,000	16,000,000	160,000,000
<b>B Issued, Subscribed &amp; Fully Paid Up Shares</b>				
Equity Shares of ` 10/- each fully paid with voting rights	8,318,430	83,184,300	7,318,430	73,184,300
<b>Total</b>	<b>8,318,430</b>	<b>83,184,300</b>	<b>7,318,430</b>	<b>73,184,300</b>

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

Particulars	Equity Shares	
	Number	
Shares outstanding at the beginning of the year	7,318,430	73,184,300
Shares Issued during the year	1,000,000	10,000,000
Shares bought back during the year	-	-
Shares outstanding at the end of the year	8,318,430	83,184,300

**b. Terms & Rights attached to equity shares;**

The Company has only one class of equity shares having face value of ` 10 each. Each holder of Equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Class of shares / Name of shareholder	As at 31- March-2015		As at 31- March-2014	
	Number of shares	% of Holding	Number of shares	% of Holding
<b>Equity shares with voting rights</b>				
1 Motika Ltd	1,044,454	12.56%	1,746,420	23.86%
2 Mahendra Sanghvi	829,875	9.98%	829,875	11.34%
3 Tilottama Sanghvi	898,490	10.80%	798,490	10.91%
4 Jayessh Shah	679,838	8.17%	679,838	9.29%
5 Ashish Kacholia	1,000,000	12.02%	-	0.00%
6 Laxman Sanghvi	501,924	6.03%	501,924	6.86%
7 Bharat Sanghvi	-	0.00%	373,584	5.10%
8 Lax Nadga	-	0.00%	508,702	6.95%
9 Narendrakumar Agrawal	552,506	6.64%	-	0.00%

Particulars	As at 31 March-2015	As at 31 March-2014
<b><u>NOTE 4 RESERVES &amp; SURPLUS</u></b>		
<b>1 Capital Reserve</b>	<b>9,291,156</b>	<b>9,291,156</b>
<b>2 Securities Premium Account</b>	<b>320,751,056</b>	<b>81,865,540</b>
Opening Balance	81,865,540	81,865,540
Add : Premium on shares issued during the year	241,000,000	-
<u>Less : Utilised during the year for:</u>		
Writing off shares issue expenses	2,114,484	-
Closing Balance	320,751,056	81,865,540
<b>3 General Reserve</b>	<b>19,158,226</b>	<b>21,035,025</b>
Opening Balance	21,035,025	21,035,025
Less: Utilised / transferred during the year for:		
Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (net of Deferred tax ` 966,404 (PY NIL)) (Ref note 29.8)	1,876,799	-
Closing Balance	<b>19,158,226</b>	<b>21,035,025</b>
<b>4 Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	240,180,647	174,325,597
Add: Profit / (Loss) for the year	110,124,395	65,855,045
Closing Balance	<b>350,305,042</b>	<b>240,180,641</b>
<b>Total</b>	<b>699,505,480</b>	<b>352,372,362</b>

**NOTE 5 LONG TERM BORROWINGS**

<b>1 Term loans</b>		
From banks (Secured)		
- in Rupee Currency	56,242,257	56,084,732
- in Foreign Currency	253,538,418	298,515,500
<b>2 Long term maturities of finance lease obligations (Secured)</b>	4,289,382	1,235,608
<b>3 Deferred payment liabilities (Unsecured)</b>	2,103,988	2,103,988
<b>4 Deposits (Unsecured)</b>	11,300,000	23,565,000
<b>Total</b>	<b>327,474,045</b>	<b>381,504,829</b>

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

Particulars	Terms of repayment and security	As at	As at
		31 March-2015	31 March-2014
		Secured	Secured
<b>Term loans from banks:</b>			
SBI (In rupees)	<b>Terms of Repayment:-</b> SBI (In rupees) :- Quarterly repayment of ` 50 Lacs (PY ` 42.50 Lacs)	47,389,261	73,084,732
SBI (In foreign Currency)	SBI (In rupees) :- Quarterly repayment of 70,200 USD (PY Nil)	57,271,750	-
HDFC (In rupees)	HDFC (In rupee Currency) :- Quarterly repayment of ` 50 Lacs (PY Nil)	28,852,996	-
SCB UK (In foreign Currency)	SCB UK (in foreign Currency) : Quarterly repayment of ECB-1 of 1.33 lac USD (PY 1 lac USD) & ECB-2 of 2.5 lacs USD beginning from March'15	309,375,000	341,515,500
<b>Total - Term loans from banks</b>		<b>442,889,007</b>	<b>414,600,232</b>
<b>Security :-</b>			
Less: Repayment within next 12 months, current maturities of Long Term Debt reflected in Note No: 10 other current liabilities.	Term loans from banks are secured by a pari passu charge over entire fixed assets of the Company including mortgage over factory land, building and plants of the Company situated at : a) Plot # 706, 707 and 708 at GIDC, Halol. b) Survey # 366,364/1, 364 /1(A) 364/2 364/3 and 363 at Rania, ECB-2 is further secured by hypothecation of all current assets of the company, present & future. These are further secured by personal guarantee of some of the directors of the Company		
SBI (In rupees)	Terms of Repayment:-SBI (In rupees) :- Quarterly repayment of ` 50 Lacs (PY 42.50 Lacs)	10,000,000	17,000,000
SBI (In foreign Currency)	SBI (In rupees) :- Repayment - Two quarterly instalment of 70,200 USD each and two quarterly instalment of ` 42.50 lacs each (PY Nil)	17,275,000	-
HDFC (In rupees)	HDFC (In rupee Currency) :- Quarterly repayment of ` 50 Lacs (PY Nil)	10,000,000	-
SCB UK (In foreign Currency)	<b>SCB UK (in foreign Currency) :</b> Quarterly repayment of ECB-1 of 1.33 lac USD (PY 1 lac USD) & ECB-2 of 2.5 lacs USD beginning from March'15	95,833,333	43,000,000
<b>Total- Short Term loans (Secured)</b>		<b>133,108,333</b>	<b>60,000,000</b>
<b>Total- Long Term loans (Secured)</b>		<b>309,780,675</b>	<b>354,600,233</b>

Particulars	Terms of repayment and security	As at	As at
		31 March-2015	31 March-2014
		Secured	Secured
<b>Long-term maturities of finance lease obligations:</b>			
HDFC Bank	Terms of Repayment:- There is monthly repayment for hire purchase loans <b>Security :-</b> Hire purchase facilities are secured by hypothecation of respective vehicles financed.	1,395,818	1,222,832
ICICI Bank		2,019,978	-
AXIS Bank		1,011,179	1,345,700
BMW India Financial Services Pvt Ltd.		2,927,394	-
<b>Total-Long term maturities of finance lease obligations (Secured)</b>		<b>7,354,369</b>	<b>2,568,532</b>
Less: Repayment within next 12 months, current maturities of finance lease obligations reflected in Note No: 10 other current liabilities.			
HDFC Bank	Terms of Repayment:- There is monthly repayment for hire purchase loans <b>Security :-</b> Hire purchase facilities are secured by hypothecation of respective vehicles financed.	587,438	998,403
ICICI Bank		882,817	-
AXIS Bank		372,324	334,521
BMW India Financial Services Pvt Ltd.		1,222,408	-
<b>Total- Short Term loans (Secured)</b>		<b>3,064,987</b>	<b>1,332,924</b>
<b>Total - Long-term maturities of finance lease obligations</b>		<b>4,289,382</b>	<b>1,235,608</b>

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

Particulars	As at	As at
	31 March-2015	31 March-2014
Term loans from banks	442,889,007	414,600,232
<b>NOTE 6 OTHER LONG TERM LIABILITIES</b>		
Advance from customers	20,186,358	14,103,563
<b>Total</b>	<b>20,186,358</b>	<b>14,103,563</b>
<b>NOTE 7 LONG TERM PROVISIONS</b>		
<b>Provision for employee benefits</b>		
Provision for compensated absences (Refer Note 30.1)	8,220,480	4,897,033
<b>Total</b>	<b>8,220,480</b>	<b>4,897,033</b>

Particulars	As at 31 March-2015	As at 31 March-2014
<b>NOTE 8 SHORT TERM BORROWINGS</b>		
<b>1 Loans repayable on demand</b>		
From banks		
- Secured		
Cash Credit	345,679,363	205,658,602
Buyers' credit	23,480,625	-
- Unsecured	-	9,578,543
<b>Total</b>	<b>369,159,988</b>	<b>215,237,145</b>

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

Particulars	Nature of security	As at 31 March-2015	As at 31 March-2014
<b><u>Loans repayable on demand -Secured</u></b>			
<b><u>from banks:</u></b>			
State Bank of India	Working capital loans from banks are secured by hypothecation of all current assets of the Company, present and future, such as inventories, receivables, loans and advances, etc. Working capital loans are further secured by second pari passu charge over entire fixed assets of the company including factory land ,building and plants of the company as stated above. These are further secured by personal guarantees of some of the directors of the company.	169,824,213	134,083,558
Standard Chartered Bank		108,609,226	71,575,045
Citi Bank		35,116,624	9,578,543
HDFC Bank		32,129,300	-
<b>Total - from banks</b>		<b>345,679,363</b>	<b>215,237,145</b>

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

Particulars	As at 31 March-2015	As at 31 March-2014
Loans repayable on demand from banks	369,159,988	205,658,602

**NOTE 9 TRADE PAYABLES****1 Trade Payables**

Dues to Micro and Small Enterprises	-	77,184
Other Trade Payables	151,332,893	271,283,617
<b>Total</b>	<b>151,332,893</b>	<b>271,360,801</b>

Note: Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Particulars	As at 31 March-2015	As at 31 March-2014
<b>NOTE 10 OTHER CURRENT LIABILITIES</b>		
1 Current maturities of long-term debt (Secured)	133,108,333	60,000,000
2 Current maturities of finance lease obligations (Secured)	3,064,987	1,332,924
3 Unpaid dividends	-	2,500
4 Other Liabilities		
- Payables on purchase of capital goods	12,051,042	2,392,106
- Statutory Remittances	2,091,562	1,602,405
- Advance from customers	45,129,866	22,295,885
<b>Total</b>	<b>195,445,789</b>	<b>87,625,820</b>
<b>NOTE 11 SHORT TERM PROVISIONS</b>		
1 <b>Provision for employee benefits</b>		
Provision for compensated absences (Refer Note 30.1)	492,812	2,498,262
2 <b>Others</b>		
Taxation [(Net of advance tax Nil (PY` 1,5005,000)]	-	1,527,862
Provision for proposed equity dividend	16,636,860	-
Provision for tax on proposed dividends	3,326,394	-
<b>Total</b>	<b>20,456,066</b>	<b>4,026,124</b>

Description	GROSS BLOCK (At Cost)			DEPRECIATION / AMORTIZATION			NET BLOCK			
	As at 1-April-2014	Additions	Disposals	As at 31st March-15	As at 1-April-2014	Depreciation / amortisation for the year	Eliminated on disposal of assets	Transition adjustment recorded against surplus balance in retained earning	As at 31st March-15	As at 31st March-14
<b>A Tangible Assets</b>										
1 Land ( Freehold )	12,383,033	383,639	-	12,766,672	-	-	-	-	12,766,672	12,383,033
2 Lease Hold Land	920,324	-	-	920,324	-	-	-	-	920,324	920,324
3 Buildings	201,854,159	52,409,420	-	254,263,579	44,430,848	6,929,241	-	37,833	51,397,922	202,865,658
4 Plant and Machinery	650,179,983	224,401,050	6,697,237	867,883,797	414,981,112	43,086,301	6,398,702	451,668,711	416,215,085	235,198,871
5 Electrical Installations	31,665,529	13,826,266	-	45,491,795	13,287,298	4,574,093	-	225,651	18,087,042	18,378,231
6 Tools and Equipment	101,715,894	58,582,992	1,862,499	158,436,387	86,995,292	1,883,725	1,059,865	-	70,617,235	14,720,602
7 Furniture and Fixtures	22,330,495	2,799,198	-	25,129,693	11,740,407	2,049,121	-	6,966	11,333,199	10,590,088
8 Vehicles	17,562,834	9,140,149	888,349	25,814,634	6,416,038	3,060,293	839,076	187,392	8,824,647	11,146,796
9 Office Equipment	7,774,194	1,135,292	-	8,909,486	3,251,180	1,029,809	-	2,127,023	6,408,012	4,523,014
10 Computer Hardwares	9,710,000	2,010,572	-	11,720,572	9,168,323	593,468	-	258,339	10,020,131	541,677
Roads	-	1,198,131	-	1,198,131	-	16,632	-	-	16,632	1,181,499
Sub Total A	1,056,096,445	365,886,709	9,448,085	1,412,535,070	590,270,498	63,222,683	8,297,643	2,843,204	648,038,742	465,825,947
Previous year	968,253,719	91,485,797	3,643,071	1,056,096,446	532,500,425	59,450,303	1,680,230	-	590,270,498	435,753,294
<b>B Intangible Assets</b>										
1 Computer Software (Not internally generated)	3,709,017	3,305,244	-	7,014,261	2,155,569	966,131	-	-	3,121,700	3,892,560
Sub Total B	3,709,017	3,305,244	-	7,014,261	2,155,569	966,131	-	-	3,121,700	1,553,448
Previous year	3,248,787	460,230	-	3,709,017	2,020,702	134,867	-	-	2,155,569	1,228,085
Total (A + B)	1,059,805,462	369,191,953	9,448,085	1,419,549,331	592,426,067	64,188,814	8,297,643	2,843,204	651,160,443	467,379,395
Total Previous year	971,502,506	91,946,027	3,643,071	1,059,805,463	534,521,127	59,585,170	1,680,230	-	592,426,067	436,981,378

Borrowing cost of ₹ 18,418,623 has been capitalised during the year. Previous year borrowing cost of ₹ 27,28,446 was considered in capital work in progress. (Refer note 30.7)

<b>NOTE 12 FIXED ASSETS</b>											
Description	GROSS BLOCK (At Cost)			DEPRECIATION / AMORTIZATION					NET BLOCK		
	As at 1-April-2013	Additions	Disposals	As at 31st March-14	As at 1-April-2013	Depreciation / amortisation for the year	Eliminated on disposal of assets	Other adjustment	As at 31st March-14	As at 31st March-14	As at 31st March-13
<b>A Tangible Assets</b>											
1 Land ( Freehold )	12,383,033	-	-	12,383,033	-	-	-	-	-	12,383,033	12,383,033
2 Lease Hold Land	920,324	-	-	920,324	-	-	-	-	-	920,324	920,324
3 Buildings	164,920,394	36,933,765	-	201,854,159	38,897,995	5,532,853	-	-	44,430,848	157,423,311	126,022,399
4 Plant and Machinery	609,138,412	42,727,227	1,685,656	650,179,983	373,296,939	42,517,571	833,398	-	414,981,112	235,198,871	235,841,473
5 Electrical Installations	28,307,586	3,357,943	-	31,665,529	11,959,365	1,327,933	-	-	13,287,298	18,378,231	16,348,221
6 Tools and Equipment	97,090,772	5,516,767	891,645	101,715,894	81,504,217	5,690,230	199,155	-	86,995,292	14,720,602	15,586,555
7 Furniture and Fixtures	22,018,989	311,506	-	22,330,495	10,331,163	1,409,244	-	-	11,740,407	10,590,088	11,687,825
8 Vehicles	17,046,879	1,581,725	1,065,770	17,562,834	5,565,241	1,498,474	647,677	-	6,416,038	11,146,796	11,481,638
9 Office Equipment	6,873,756	900,438	-	7,774,194	2,893,418	357,762	-	-	3,251,180	4,523,014	3,980,338
10 Computer Hardwares	9,553,574	156,426	-	9,710,000	8,052,087	1,116,236	-	-	9,168,323	541,677	1,501,487
Sub Total A	968,253,719	91,485,797	3,643,071	1,056,096,445	532,500,425	59,450,303	1,680,230	-	590,270,498	465,825,947	435,753,293
Previous year	883,384,176	100,321,060	15,451,518	968,253,718	489,957,151	56,096,481	13,553,208	-	532,500,426	435,753,294	393,427,025
<b>B Intangible Assets</b>											
1 Computer Software	3,248,787	460,230	-	3,709,017	2,020,702	134,867	-	-	2,155,569	1,553,448	1,228,085
Sub Total B	3,248,787	460,230	-	3,709,017	2,020,702	134,867	-	-	2,155,569	1,553,448	1,228,085
Previous year	2,416,788	831,999	-	3,248,787	1,959,210	61,493	-	-	2,020,703	1,228,085	457,578
Total (A + B)	971,502,506	91,946,027	3,643,071	1,059,805,462	534,521,127	59,585,170	1,680,230	-	592,426,067	467,379,395	436,981,378
Total Previous year	885,800,964	101,153,059	15,451,518	971,502,505	491,916,361	56,157,974	13,553,208	-	534,521,129	436,981,379	393,884,603

Particulars	As at 31 March-2015	As at 31 March-2014
<b>NOTE 13 NON CURRENT INVESTMENT</b>		
<b>Investments (At cost unless stated otherwise)</b>		
<b>A <u>Trade Investments</u></b>		
1 Unquoted Equity Instrument		
Investments in Associates		
124,000 Equity Shares of ` 10/- each of Panax Appliances Pvt Ltd fully paid up (PY 124,000 Equity Shares of ` 10/- each)	1,240,000	1,240,000
	<u>1,240,000</u>	<u>1,240,000</u>
Less : Provision for diminution in the value of Investments	1,240,000	1,240,000
	-	-
2 Unquoted Preference Instrument		
871,000 6% Cumulative Redeemable Preference Shares of ` 4/- each of Panax Appliances Pvt Ltd fully paid up (PY 871,000 at ` 10/- each)	2,704,000	2,704,000
Sub Total (A)	<u>2,704,000</u>	<u>2,704,000</u>
<b>B <u>Other Investments (at Cost)</u></b>		
1 325 Shares of ` 25/- each of The Citizen Co-Operative Credit Society Ltd, fully paid up	8,125	8,125
2 1340 shares of ` 10/- of Co-Operative Bank of Baroda, fully paid up.	33,501	33,501
Sub Total (B)	<u>41,626</u>	<u>41,626</u>
<b>Total</b>	<b><u>2,745,626</u></b>	<b><u>2,745,626</u></b>
<b>NOTE 14 LONG TERM LOANS &amp; ADVANCES</b>		
1 <b>Capital Advances</b> (Unsecured, considered good)	56,170,586	68,110,174
2 <b>Security Deposits</b> (Unsecured, considered good)	13,321,297	10,414,331
3 <b>Loans and advances to related parties (refer Note 29.2)</b> (Unsecured, considered good)	2,002,373	2,002,373
4 <b>MAT credit entitlement</b>	19,144,013	-
<b>Total</b>	<b><u>90,638,270</u></b>	<b><u>80,526,879</u></b>
<b>Long term loans and advances includes amounts due from :</b>		
Private Company in which director is a member	2,002,373	2,002,373
<b>NOTE 15 OTHER NON- CURRENT ASSETS</b>		
1 Unamortised expenses		
Share issue expenses	478,050	956,100
<b>Total</b>	<b><u>478,050</u></b>	<b><u>956,100</u></b>

Particulars	As at 31 March-2015	As at 31 March-2014
<b>NOTE 16 CURRENT INVESTMENT</b>		
<b>A <u>Other Investments (at lower of cost &amp; fair value)</u></b>		
1 107172.889 (PY-Nil) units of SBI Magnum Insta Cash Fund Liquid Floater Mutual Fund (NAV ` 255,539,521)	253,500,000	-
<b>Total</b>	<b>253,500,000</b>	<b>-</b>
<b>NOTE 17 INVENTORIES</b>		
1 Raw Materials and components	147,902,485	111,217,538
2 Work-in-progress	28,630,436	21,364,669
3 Finished goods	13,999,724	10,641,590
4 Stores and spares	4,404,204	4,379,287
5 Packing Materials	6,188,570	4,890,828
<b>Total</b>	<b>201,125,419</b>	<b>152,493,912</b>
<b>NOTE 18 TRADE RECEIVABLES</b>		
1 Trade receivables outstanding for a period less than six months from the date they were due for payment Unsecured, considered good	366,796,172	32,242,3111
<b>Sub Total</b>	<b>366,796,172</b>	<b>322,423,111</b>
2 Trade receivables outstanding for a period exceeding six months from the date they were due for payment Unsecured, considered good	5,246,018	3,329,477
<b>Sub Total</b>	<b>5,246,018</b>	<b>3,329,477</b>
<b>Total</b>	<b>372,042,190</b>	<b>325,752,588</b>
<b>NOTE 19 CASH AND CASH EQUIVALENTS</b>		
1 Cash on Hand	834,396	524,183
2 Balances with banks		
(i) In current accounts	414,030	1,826,132
(ii) In EEFC accounts	11,726,020	25,053,959
(iii) In deposit accounts	1,698,072	164,710,323
(iv) In earmarked accounts		
- Unpaid dividend accounts	-	7,950
- Balances held as margin money or security against borrowings, guarantees and other commitments	43,962,127	52,791,261
<b>Total</b>	<b>58,634,646</b>	<b>244,913,809</b>

Particulars	As at 31 March-2015	As at 31 March-2014
<b>NOTE 20 SHORT TERM LOANS &amp; ADVANCES</b>		
1 <b>Loans and advances to employees</b> (Unsecured, considered good)	29,408	83,100
2 <b>Prepaid expenses</b> (Unsecured, considered good)	6,987,258	7,193,576
3 <b>Advance payment of tax (Net of provision)</b>	2,046,885	-
4 <b>Advance recoverable in cash or kind for the value to be received</b> (Unsecured, considered good)	44,518,693	25,094,985
5 <b>Balances with Government authorities</b> (Unsecured, considered good)		
(i) CENVAT credit receivable	64,224,423	37,150,797
(ii) VAT credit receivable	3,883,062	33,609,577
(iii) Service Tax credit receivable	7,454,444	6,789,537
(iv) Advance Import Duty	356,636	603,652
(v) FPS (DGFT) Import Licence receivable	5,355,026	-
6 <b>MAT Credit Entitlement</b>	33,896,471	21,801,332
<b>Total</b>	<b>168,752,305</b>	<b>132,326,556</b>
<b>Short term loans and advances includes amounts due from :</b>		
Officers of the Company - other then Directors	29,408	83,100
<b>NOTE 21 OTHER CURRENT ASSETS</b>		
1 Unamortised expenses		
(i) Share issue expenses	478,050	478,050
<b>Total</b>	<b>478,050</b>	<b>478,050</b>

Particulars	For the period ended 31 March, 2015	For the year ended 31 March, 2014
<b>NOTE 22 REVENUE</b>		
1 Sale of Products (Gross)	<b>1,829,494,039</b>	1,535,397,890
Export Sales	1,185,617,362	1,038,790,122
Domestic Sales	643,876,677	496,607,768
Less: Excise Duty	(56,957,623)	(43,266,838)
<b>Net Sales</b>	<b>1,772,536,417</b>	<b>1,492,131,052</b>
2 Sale of services	15,491,282	12,334,587
3 Other operating revenue	9,058,354	3,142,160
	<b>1,797,086,052</b>	<b>1,507,607,799</b>
<b>Note:</b>		
(i) Sale of products comprises:		
<u>Manufactured goods</u>		
Components and Articles of Plastics/Moulds	1,772,536,417	1,492,131,053
<b>Total - Sale of Products</b>	<b>1,772,536,417</b>	<b>1,492,131,053</b>
(ii) Sale of services comprises:		
Jobwork	660,672	2,205,281
Design and Development	14,830,610	6,496,306
Repairs & Maintenance Income	-	3,633,000
<b>Total - Sale of services</b>	<b>15,491,282</b>	<b>12,334,587</b>
(iii) Other operating revenues comprises:		
Sale of scrap	909,310	609,916
Duty drawback incentives	1,504,692	1,409,031
Service Tax refund/Rebate/Credit	1,289,326	1,123,213
FPS (DGFT) LICENCE	5,355,026	-
<b>Total - Other operating revenues</b>	<b>9,058,354</b>	<b>3,142,160</b>
<b>NOTE 23 OTHER INCOME</b>		
1 Interest Income	11,777,967	4,631,899
2 Dividend income from long-term investments	5,025	5,025
3 Other non-operating income (net of expenses directly attributable to such income)	3,719,069	962,355
<b>Total</b>	<b>15,502,062</b>	<b>5,599,279</b>
<b>Note :</b>		
(i) Interest income comprises:		
Interest from banks on:		
Deposits	6,631,951	3,172,131
Interest on loans and advances	79,756	318,647
Interest on VAT refund	4,195,480	-
Other interest	870,780	1,141,121
<b>Total - Interest income</b>	<b>11,777,967</b>	<b>4,631,899</b>
(ii) Other non-operating income comprises:		
Profit on sale of fixed assets	950,521	199,155
Liabilities / provisions no longer required written back	2,758,885	-
Insurance Claim	9,663	763,200
<b>Total - Other non-operating income</b>	<b>3,719,069</b>	<b>962,355</b>

Particulars	For the period ended 31 March, 2015	For the year ended 31 March, 2014
<b>NOTE 24 COST OF RAW MATERIAL (INCLUDING PURCHASED COMPONENTS) CONSUMED</b>		
1 Opening stock	111,217,538	78,884,790
2 Add: Purchases	1,076,501,862	890,645,491
	<b>1,187,719,400</b>	<b>969,530,281</b>
3 Less: Closing stock	147,902,485	111,217,538
<b>Total</b>	<b>1,039,816,915</b>	<b>858,312,743</b>
<b>Note :</b>		
<b>Material consumed comprises:</b>		
(i) Plastic Granules	796,336,038	682,210,176
(ii) Other Materials and Components	137,888,488	114,639,694
(iii) Mould Materials	105,592,389	61,462,873
<b>Total</b>	<b>1,039,816,915</b>	<b>858,312,743</b>
<b>NOTE 25 (INCREASE)/DECREASE IN STOCK</b>		
1 <u>Inventories at the end of the year:</u>		
(i) Finished goods	13,999,724	10,641,590
(ii) Work-in-progress	28,630,436	21,364,669
	<b>42,630,159</b>	<b>32,006,259</b>
2 <u>Inventories at the beginning of the year:</u>		
(i) Finished goods	10,641,590	18,832,256
(ii) Work-in-progress	21,364,669	21,115,809
	<b>32,006,259</b>	<b>39,948,065</b>
3 Increase / (Decrease) of excise duty on inventory	226,567	(327,898)
<b>Net (increase) / Decrease</b>	<b>(10,397,333)</b>	<b>7,613,908</b>
<b>NOTE 26 EMPLOYEE BENEFIT EXPENSES</b>		
1 Salaries and Wages	176,249,704	144,508,522
2 Contributions to provident fund (Refer Note 30.1)	8,151,820	7,471,073
3 Staff Welfare Expenses	10,842,325	8,398,757
<b>Total</b>	<b>195,243,849</b>	<b>160,378,352</b>
<b>NOTE 27 FINANCE COSTS</b>		
1 Interest expense on:		
(i) Borrowings [Including interest rate swap related charges of ₹ 2,075,066/- (PY ₹ 2,339,078/-)]	44,461,279	54,529,431
(ii) Public Deposit	2,991,712	1,974,719
2 Other borrowing costs	9,901,340	11,019,674
3 Net loss/(gain) on foreign currency transactions and translation (considered as finance cost)	9,837,549	16,929,108
<b>Total</b>	<b>67,191,880</b>	<b>84,452,934</b>

Particulars	For the period ended 31 March, 2015	For the year ended 31 March, 2014
<b>NOTE 28 OTHER EXPENSES</b>		
1 Power and fuel	89,596,565	74,198,842
2 Packing expense	105,077,635	70,674,814
3 Stores and spares consumed	13,126,810	10,946,891
4 Labour Charges	3,400,346	1,764,157
5 Repairs & maintenance		
Building	879,654	1,693,424
Plant & Machinery	14,903,944	10,044,220
Others	5,667,585	3,029,312
6 Rent	4,914,517	5,089,884
7 Rates and taxes	177,585	324,345
8 Insurance	5,394,871	5,212,104
9 Conveyance expense	1,060,130	903,776
10 Postage and telephone expense	1,555,477	1,437,509
11 Printing and stationery	1,224,541	1,174,652
12 Vehicle expense	4,945,273	4,516,263
13 Legal and professional	7,387,016	6,054,670
14 Directors' Sitting Fees	1,020,000	480,000
15 Sales commission ,discount and Fees	8,320,722	8,887,570
16 Payments to auditors (Refer Note (i) below)	1,000,000	1,000,000
17 Travelling expense	17,247,603	12,095,674
18 Carriage outwards	13,406,257	12,518,219
19 Advertisement	114,547	87,577
20 Corporate social responsibility	131,000	-
21 Amortisation of share issue expenses and discount on shares	478,050	499,051
22 Bad trade and other receivables, loans and advances written off	-	1,370,646
23 Loss on Fixed Assets sold/Scraps/Written off (net)	-	445,351
24 Miscellaneous Expenses	6,547,118	6,028,769
<b>Total</b>	<b><u>307,577,247</u></b>	<b><u>240,477,721</u></b>
<b>Notes:</b>		
(i) Payments to the auditors comprises (net of service tax input credit):		
To statutory auditors'		
- Statutory audit	825,000	825,000
- Tax audit	175,000	175,000
Total	<u>1,000,000</u>	<u>1,000,000</u>

**NOTE 29 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS**

Note	Particulars	As at 31 March, 2015	As at 31 March, 2014
29.1	<b>Contingent liabilities and commitments (to the extent not provided for)</b>		
	(i) Contingent liabilities		
	(a) Guarantees (Given to Central Excise & Customs for material sent for jobwork)	10,000,000	10,000,000
	(b) Pending export obligation against advance licenses (obligation to be completed by March 2015)	Nil	Nil
	(ii) Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for		
	- Tangible assets	126,553,496	35,110,101

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

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

Name of the party	Relationship	Amount outstanding as at 31 March, 2015	Maximum balance outstanding during the year
Panax Appliances Pvt. Ltd	Significant Influence	1,777,784 Cr (1,477,884)	1,777,784 Cr (1,477,884)
Shaily IDC (India) Private Limited	Significant Influence	2,002,373 (2,002,373)	2,002,373 (2,002,373)

Note: Figures in brackets relate to the previous year.

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

I. The following derivative positions are open as at 31 March, 2015. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and be designated as hedging instruments.

- (a) Forward exchange contracts and options [being derivative instruments], which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

Outstanding option contracts entered into by the Company as on 31 March, 2015

Currency	Amount in USD	Buy / Sell	Cross currency
USD	Nil (Nil)	Buy (Buy)	Rupees (Rupees)

Note: Figures in brackets relate to the previous year

- (b) Currency swaps (other than forward exchange contracts stated above) to hedge against fluctuations in changes in exchange rate. No. of contracts: Nil (As at 31 March, 2014: Nil)
- (c) Interest rate swaps to hedge against fluctuations in interest rate changes: No. of contracts: Two (As at 31 March, 2014: Two)

- II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	As at 31 March, 2015			As at 31 March, 2014		
	Receivable/ (Payable)	Receivable/(Payable) in Foreign currency (indicate amount with currency)		Receivable/ (Payable)	Receivable/(Payable) in Foreign currency (indicate amount with currency)	
<b>Trade Payables</b>	(34,318,231)	USD	549,092	(172,434,100)	USD	(2,877,979)
	(3,407)	EUR	51	(2,117,563)	EUR	(25,610)
	(787,570)	GBP	8,517	(1,826,251)	GBP	(18,306)
<b>Trade Receivables</b>	133,921,563	USD	2,142,745	116,159,045	USD	1,957,666
	22,058	EUR	328	720,277	EUR	8,711
<b>Advances received</b>	-	-	-	-	EUR	-
<b>Advances given</b>	69,838,669	USD	1,117,419	83,528,284	USD	1,394,113
	21,154,133	EUR	314,841	209,338	EUR	2,532
	-	GBP	-	3,990,600	GBP	40,000
	-	JPY	-	354,747	JPY	611,000.00
<b>Loans Taken</b>	(493,809,750)	USD	(7,900,956)	(341,515,500)	USD	(5,700,000)
<b>Bank balances</b>	11,726,020	USD	187,616	25,053,959	USD	418,158

Note	Particulars	As at 31 March, 2015	As at 31 March, 2014
29.4	<b>Value of imports calculated on CIF basis:</b>		
	Raw materials	531,812,673	311,387,145
	Moulds	19,804,526	1,825,888
	Capital goods	46,317,110	18,609,052
	Total	597,934,309	331,822,085
29.5	<b>Expenditure in foreign currency:</b>		
	Professional and consultation fees	3,680,617	5,044,200
	Godown Rent	3,474,518	3,649,884
	Testing Charges	1,663,683	414,847
	Foreign travelling	2,627,450	2,264,683
	Interest on ECB	25,569,724	13,184,053

Note	Particulars	As at 31 March, 2015	
			%
29.6	<b>Details of consumption of imported and indigenous items</b>		
	<u>Imported</u>		
	Raw materials	573,129,728 (366,421,174)	55.12% -42.69%
	<b>Total</b>	<b>573,129,728</b> (366,421,174)	<b>55.12%</b> -42.69%
	<u>Indigenous</u>		
	Raw materials	466,687,187 (491,891,569)	44.88% -57.31%
	<b>Total</b>	<b>466,687,187</b> (491,891,569)	<b>44.88%</b> -57.31%

Note: Figures / percentages in brackets relates to the previous year

Note	Particulars	As at 31 March, 2015	As at 31 March, 2014
29.7	<b>Earnings in foreign exchange:</b>		
	Export of goods calculated on FOB basis	1,301,697,619	1,121,565,978

29.8 During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied depreciation method, rates / useful life are as follows:

Asset	Previous depreciation method	Previous depreciation rate / useful life	Revised useful life based on SLM
Factory Buildings	SLM	3.34% / ~30 years	30 years
Computers and Data Processing Equipment	SLM	16.21% / ~6 years	3 years
General Plant and Machinery	SLM	10.34% / ~9.67 years	15 years
Furniture and Fixtures	SLM	6.33% / ~15 years	10 years
Vehicles	SLM	15% / ~6 years	4 years
Office equipment	SLM	4.75% / ~21 years	5 years
Electrical Installations	SLM	4.75% / ~21 years	15 years
Tools and equipments	SLM	16.21% / ~6 years	15 years

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets (determined after considering the change in the method of depreciation from WDV to SLM), net of residual value, where the remaining useful life of the asset was determined to be Nil as on April 1, 2014, and has adjusted an amount of ` 28,43,204/- (net of deferred tax of ` 9,66,404/-) against the opening General Reserve balance under Reserves and Surplus.

The depreciation expense in the Statement of Profit and Loss for the year is lower by ` 20,07,973/- consequent to the change in the useful life of the assets.

**NOTE 30 DISCLOSURES UNDER ACCOUNTING STANDARDS**

Note	Particulars
30.1	<b>Employee benefit plans</b>
30.1 a	<p>Defined contribution plans</p> <p>The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ` 7,350,914/- (Year ended 31 March, 2014 ` 6,700,571/-) for Provident Fund contributions and ` 2,055,151/- (Year ended 31 March, 2014 ` 1,770,585/-) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.</p>
30.1 b	<p><u>Defined benefit plans</u></p> <p>The Company offers the following employee benefit schemes to its employees:</p> <ol style="list-style-type: none"> <li>Gratuity</li> <li>Post-employment medical benefits</li> <li>Other defined benefit plans (specify nature)</li> </ol> <p>The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:</p>

Particulars	Amount in `			
	Year ended 31 March, 2015		Year ended 31 March, 2014	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>I Expense recognized in Profit &amp; Loss Account for the year ended 31st March</b>				
a. Current Service Cost	1,158,688	1,424,791	1,062,042	1,441,984
b. Interest cost	1,078,862	424,952	806,797	285,730
c. Expected return on plan assets	(1,122,572)	-	(1,044,741)	-
d. Actuarial (Gain)/Loss on obligation	1,843,675	943,215	2,161,337	1,245,363
e. Net expense recognised in Profit & Loss Account (in Note 25 – Employee Benefit Expenses)	<b>2,958,653</b>	<b>2,792,958</b>	<b>2,985,435</b>	<b>2,973,077</b>
<b>II Changes in Obligation during the year ended 31st March</b>				
a. Obligation as on 1st April	13,383,481	7,395,295	10,363,906	5,266,546
b. Current service cost	1,158,688	1,424,791	1,062,042	1,441,984
c. Interest cost	1,078,862	424,952	806,797	285,730
d. Actuarial (Gain)/Loss on obligation	2,789,136	943,215	1,708,633	1,245,363
e. Benefits Paid	(875,250)	(1,474,961)	(557,897)	(844,328)
f. PV of Obligation as on 31st March	<b>17,534,917</b>	<b>8,713,292</b>	<b>13,383,481</b>	<b>7,395,295</b>
<b>III Changes in Plan Assets during the year ended 31st March</b>				
a. Fair Value of Plan Assets as on 1st April	13,416,324	-	10,374,704	-
b. Expected return on Plan assets	1,122,572	-	1,044,741	-
c. Actuarial Gain/(Loss)	945,461	-	(435,224)	-
d. Contributions	3,236,000	-	2,990,000	-
e. Benefits Paid	(875,250)	-	(557,897)	-
f. Actual return on plan assets				
g. Fair Value of Plan Assets as on 31st March	<b>17,845,107</b>	-	<b>13,416,324</b>	-

Particulars	Amount in `			
	Year ended 31 March, 2015		Year ended 31 March, 2014	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>IV Net Assets / Liabilities recognized in the Balance Sheet as at 31st March</b>				
a. PV of Obligation as on 31st March	17,534,917	8,713,292	13,383,481	7,395,295
b. Fair Value of Plan Assets as on 31st March	17,845,107	-	13,416,324	-
c. Net Liabilities / (Assets) recognised in the Balance Sheet as at 31st March	<b>(310,190)</b>	<b>8,713,292</b>	<b>(32,843)</b>	<b>7,395,295</b>
<b>V Principal Actuarial Assumptions</b>				
a. Discount rate as on 31st March (per annum) (Refer Note-1)	8%	8%	9.10%	9.10%
b. Rate of return on Plan Assets as at 31st March (per annum) (Refer Note-3)	9%	-	9.00%	-
c. Expected increase in salary costs (per annum) (Refer Note-2)	4.5%	4.5%	4.00%	4.00%

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

Note	Particulars																
<b>30.2</b>	<p>Segment Reporting:</p> <p>Business Segment: The Company is engaged in the business of manufacturing of injection molded plastics components, moulds etc., which as per the Accounting Standard (AS 17) 'Segment Reporting' is considered as the only reportable segment</p>																
<b>30.3</b>	<b>Related party transactions</b>																
30.3	<p>a <b>Details of related parties:</b></p> <table border="1"> <thead> <tr> <th>Description of relationship</th> <th>Names of related parties</th> </tr> </thead> <tbody> <tr> <td><b>Key Management Personnel</b></td> <td></td> </tr> <tr> <td>Managing Director</td> <td>Mr. Mahendra B. Sanghvi</td> </tr> <tr> <td>Executive Director</td> <td>Mr. Laxman B. Sanghvi</td> </tr> <tr> <td>Whole Time Director</td> <td>Mrs. Tilottama M. Sanghvi</td> </tr> <tr> <td>Whole Time Director</td> <td>Mr. Amit M. Sanghvi</td> </tr> <tr> <td>Chief Financial Officer</td> <td>Mr Sanjay Shah</td> </tr> <tr> <td>Company Secretary</td> <td>Ms. Apekha Patel</td> </tr> </tbody> </table>	Description of relationship	Names of related parties	<b>Key Management Personnel</b>		Managing Director	Mr. Mahendra B. Sanghvi	Executive Director	Mr. Laxman B. Sanghvi	Whole Time Director	Mrs. Tilottama M. Sanghvi	Whole Time Director	Mr. Amit M. Sanghvi	Chief Financial Officer	Mr Sanjay Shah	Company Secretary	Ms. Apekha Patel
Description of relationship	Names of related parties																
<b>Key Management Personnel</b>																	
Managing Director	Mr. Mahendra B. Sanghvi																
Executive Director	Mr. Laxman B. Sanghvi																
Whole Time Director	Mrs. Tilottama M. Sanghvi																
Whole Time Director	Mr. Amit M. Sanghvi																
Chief Financial Officer	Mr Sanjay Shah																
Company Secretary	Ms. Apekha Patel																

Description of relationship	Names of related parties
<b>Other Related Parties</b>	
Entities in which KMP / relatives of KMP have significant influence	Panax Appliances Pvt. Ltd.
Entities in which KMP / relatives of KMP have significant influence	Shaily-IDC India Pvt. Ltd.
Entities in which KMP / relatives of KMP have significant influence	Integra Engineering India Ltd.
Relative of key management personnel	Mr. Jayesh Shah
Relative of key management personnel	Ms. Purnima Shah
Relative of key management personnel	Mrs. Kinjal S Bhavsar
Relative of key management personnel	Mr. Bharat Sanghvi
Relative of key management personnel	Mrs. Kalpana L Sanghvi
Relative of key management personnel	Mrs. Rashmi B Sanghvi
Firm owned by relative of key management personnel	Jariwala Shah Kanji Raichand & Co

Note: Related parties have been identified by the Management.

**Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2015**

30.3b	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Sales of goods	-	-	11,324,454	11,324,454
	-	-	(11,192,081)	(11,192,081)
Professional Fees	1,154,348	-	-	1,154,348
	(1,350,000)	-	-	(1,350,000)
Sale of fixed assets	-	-	-	-
	-	-	-	-
Remuneration Paid to Directors	22,958,378	1,201,817	-	24,160,195
	(19,452,523)	(901,363)	-	(20,353,886)
Remuneration Paid to CFO	2,680,724	-	-	2,680,724
	(2,422,666)	-	-	(2,422,666)
Remuneration Paid to Company Secretary	195,664	-	-	195,664
	(295,575)	-	-	(295,575)
Rent paid for lease arrangements	840,000	-	600,000	1,440,000
	(840,000)	-	(600,000)	(1,440,000)
Sitting Fees	90,000	-	-	90,000
	(90,000)	-	-	(90,000)
Interest paid on deposits received	1,495,488	194,540	-	1,690,028
	(867,886)	(224,038)	-	(1,091,924)
<b>Balances outstanding at the end of the year</b>				
<b>Loans and advances:</b>				
Shaily-IDC India Pvt Ltd	-	-	2,002,373	2,002,373
	-	-	(2,002,373)	(2,002,373)
Investment: Panax Appliances Pvt. Ltd	-	-	3,944,000	3,944,000
	-	-	(3,944,000)	(3,944,000)
<b>Trade Payables: Panax Appliances Pvt. Ltd</b>	-	-	1,777,784	1,777,784
	-	-	(1,477,884)	(1,477,884)

Note: Figures in bracket relates to the previous year

Note	Particulars	As at 31 March, 2015	As at 31 March, 2014
30.4	<b>Details of leasing arrangements</b>		
	As Lessee		
	The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and are for a period of 1 year and may be renewed for a further period of 1 year based on mutual agreement of the parties.		
	Future minimum lease payments not later than one year	1,440,000	1,440,000
	Lease payments recognised in the Statement of Profit and Loss	1,440,000	1,440,000
30.5	<b>Earnings Per Share</b>		
	Number of Equity Shares at the beginning of the year	7,318,430	7,318,430
	Number of Equity Shares at the end of the year	8,318,430	7,318,430
	Weighted average number of Equity Shares Outstanding during the year	7,568,430	7,318,430
	Face Value of each Equity Share (₹)	10	10
	Profit after Tax available for the Equity Shareholders		
	<b>Profit after Taxation</b>	<b>110,124,395</b>	<b>65,855,045</b>
		110,124,395	65,855,045
	<b>Basic Earning Per Share (₹)</b>	<b>14.55</b>	<b>9.00</b>
	<b>Diluted Earning Per Share (₹)</b>	<b>14.55</b>	<b>9.00</b>
30.6	<b>Deferred tax liability as on 31.3.2015 is ₹ 497.54 lacs, major component of Deferred tax balance is set out below:</b>		
	Deferred Tax Liability: (A)		
	i) Difference between Accounting and Tax WDV (Cumulative)	53,513,061	35,365,232
	Deferred Tax Assets: (B)		
	i) Other timing differences	3,758,210	3,542,634
	Net Deferred Tax Liability / (Asset)	<b>49,754,851</b>	<b>31,822,598</b>
	A - B		
30.7	<b>Details of borrowing costs capitalised</b>		
	Borrowing costs (net of interest income earned) capitalised during the year as a part of capital work-in-progress	-	2,728,446
31	The previous year figures have been regrouped / re-classified to conform to the current year's classification.		

## NOTICE

Notice is hereby given that the **THIRTY FIFTH ANNUAL GENERAL MEETING** of the Members of Shaily Engineering Plastics Limited will be held on Saturday, 08<sup>th</sup> August, 2015 at 12.00 noon at the Registered Office of the Company at Survey No. 364/366, At & Po. Rania - 391780, Taluka Savli, Dist. Vadodara, to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on 31<sup>st</sup> March, 2015 including Balance Sheet as at 31<sup>st</sup> March 2015, Statement of Profit and Loss Account along with notes appended thereto, for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare Final dividend for the year ended 31<sup>st</sup> March, 2015.
3. To appoint a Director in place of Mr. Amit Sanghvi (DIN: 00022444), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint M/s. Deloitte Haskins & Sells, Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and any other, if applicable (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara (Firm Registration Number 117364W), the retiring Auditors of the Company and who have offered themselves for re-appointment and confirmed their eligibility to be appointed as auditors, in terms of section 141 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company.

**RESOLVED FURTHER THAT** the Managing Director be and is hereby authorized to fix the remuneration payable and reimbursement of out of pocket expenses, if any, to the said Auditors.”

### Special Business

5. To consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable during the year 2015.16 to M/s Y. S. Thakar & Co., Practicing Cost Accountants, Vadodara, (Firm Registration No. 00318) appointed by the Board of Directors of the Company to conduct audit of the cost records of the Company for the financial year 2015-16, on such terms & conditions and remuneration of Rs. 75,000/- plus other expenses, if any, incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.”

6. To consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Act, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), Mr. Milin Mehta (DIN: 01297508), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 08<sup>th</sup> November, 2014 and who holds office till the date of AGM under Section 161 and other applicable provisions (including any modification or re-enactment thereof, if any), of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act signifying his intention to propose the candidature of Mr. Milin Mehta for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years with effect from 08<sup>th</sup> November, 2014, not liable to retire by rotation.

**RESOLVED FURTHER THAT** any of the Directors of the company and the Company Secretary be and are hereby severally authorized to carry out all the acts, deeds and things necessary to give effect to the resolution.”

7. To consider and if thought fit, to pass, with or without modification, the following resolution as a **Ordinary Resolution**:
- “**RESOLVED THAT** pursuant to provisions of Section 196, 197, 198 & 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory amendment(s), modification(s), or re-enactment (s) thereof for the time being in force) and subject to the Central Government approval, if required the approval of the Company be and is hereby accorded to the re-designation (change in designation) of Mr. Amit Sanghvi (DIN: 00022444) as Managing Director (rotational Director) of the Company for the balance period i.e. 16.05.2015 to 30.09.2017, originally appointed as Whole Time Director for 3 (Three) years with effect from 1<sup>st</sup> October, 2014, upon terms & conditions (with Change in remuneration) as set out in the Statement annexed to this Notice with the liberty to the Board to alter and vary the said terms & conditions as it may deem fit and as may be acceptable to Mr. Amit Sanghvi.
- RESOLVED FURTHER THAT** any of the Directors of the company and the Company Secretary be and are hereby severally authorized to carry out all the acts, deeds and things necessary to give effect to the resolution.”
8. To consider and if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:
- “**RESOLVED THAT** pursuant to provisions of Section 196, 197, 198 & 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory amendment(s), modification(s), or re-enactment (s) thereof for the time being in force) and subject to the Central Government approval, if required, consent of the shareholders be and is hereby accorded to increase the gross remuneration of Mr. Amit Sanghvi (DIN: 00022444), Managing Director of the Company from existing ` 4,00,000 per month to ` 10,00,000 per month effective from 1.04.2015 till 30.09.2017, on the terms and conditions set out in the explanatory statement annexed to this notice.
- RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year during the tenure of Mr. Amit Sanghvi as Managing Director, the remuneration as specified above shall be paid and allowed to Mr. Amit Sanghvi as minimum remuneration for such financial year.
- RESOLVED FURTHER THAT** any of the Directors of the company and the Company Secretary be and are hereby severally authorized to carry out all the acts, deeds and things necessary to give effect to the resolution.”
9. To consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:
- “**RESOLVED THAT** pursuant to provisions of Section 196, 197, 198 & 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory amendment(s), modification(s), or re-enactment (s) thereof for the time being in force) and subject to the Central Government approval, if required the approval of the Company be and is hereby accorded to the re-designation (change in designation) of Mr. Mahendra Sanghvi (DIN: 00084162) as Executive Chairman of the Company for the balance period i.e. 16.05.2015 to 31.03.2016, originally appointed as Managing Director for 3 (Three) years with effect from 01.04.2013, upon terms & conditions (without Change in remuneration) as set out in the Explanatory Statement annexed to this Notice with the liberty to the Board to alter and vary the said terms & conditions as it may deem fit and as may be acceptable to Mr. Mahendra Sanghvi.
- RESOLVED FURTHER THAT** any of the Directors of the company and the Company Secretary be and are hereby severally authorized to carry out all the acts, deeds and things necessary to give effect to the resolution.”
10. To consider and if thought fit, to pass, with or without modification, the following resolution as **Special Resolution**:
1. “**RESOLVED THAT** pursuant to the provisions of the Section 14, and other applicable provisions if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for time being in force) and the rules framed there under, the consent of the Members be and is hereby accorded for substituting Article 143.
- RESOLVED FURTHER THAT** the following Article be substituted for Article 143 in the Articles of Association as under:
- Article 143. Powers of the Board**
- Subject to the provisions of the Act, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or in other statute or by the Memorandum of the Company or by this Articles of Association or otherwise to be

exercised or done by the Company in general meeting provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or in any other Act or in the Memorandum of the Company or these Articles or any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in General Meeting but no regulations made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if those regulation had not been made.

**RESOLVED FURTHER THAT** Mr. Mahendra Sanghvi, Executive Chairman, Mr. Amit Sanghvi, Managing Director, Mr. Laxman Sanghvi, Executive Director and Mrs. Tilottama Sanghvi, Whole-Time Director be and are hereby severally authorized to file necessary forms with the Ministry of Corporate Affairs to give effect of this resolution and to obtain necessary approvals, if any and to do all such acts deeds and things as may be required to give effect to the aforesaid resolution.”

2. **“RESOLVED THAT** pursuant to the provisions of the Section 14, and other applicable provisions if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for time being in force) and the rules framed there under, the consent of Member be and is hereby accorded for substituting existing Article 94.

**RESOLVED FURTHER THAT** the following Article be substituted for Article 94 in the Articles of Association as under:

**Article 94. Chairman of the Board**

The directors from time to time elect from among themselves, a Chairman of the Board and determine the period for which he is to hold office. If at any meeting of the Board the Chairman is not present within five minutes after the time appointed for holding the same, the directors present may choose one of their members to be Chairman of the meeting.

**RESOLVED FURTHER THAT** Mr. Mahendra Sanghvi, Executive Chairman, Mr. Amit Sanghvi Managing Director, Mr. Laxman Sanghvi, Executive Director and Mrs. Tilottama Sanghvi, Whole-Time Director be and are hereby severally authorized to file necessary forms with the Ministry of Corporate Affairs to give effect of this resolution and to obtain necessary approvals, if any and to do all such acts deeds and things as may be required to give effect to the aforesaid resolution.”

**Registered Office:**  
**Survey No. 364/366,**  
**At & Po. Rania - 391 780,**  
**Taluka Savli, Dist. Vadodara**  
 CIN: L51900GJ1980PLC065554  
 E-mail: investors@shaily.com

Date: 16<sup>th</sup> May, 2015

**By order of the Board**  
**For Shaily Engineering Plastics Limited**

**Amit Sanghvi**  
**Managing Director**  
**(DIN : 00022444)**

**NOTES:**

1. The relative explanatory statement, pursuant to Section 102(1) of the Companies Act, 2013 is attached hereto.
2. Relevant details of Directors seeking appointment/re-appointment, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchange are annexed.
3. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as his proxy to attend and on a poll to vote instead of himself and proxy need not be a member of the Company. A blank form of proxy is enclosed and if intended to be used, it should be duly completed and deposited at the registered office of the company not less than 48 hours before the scheduled time of the meeting.**
4. **A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company.**
5. **The Register of Members and Share Transfer Books of the Company will be closed from Saturday, 01<sup>st</sup> August, 2015 to Saturday, 08<sup>th</sup> August, 2015 (both days inclusive) for the purpose of payment of final dividend, if declared at the Meeting.**
6. The dividend on Equity shares if declared at the meeting will be credited / dispatched between Sunday, 09<sup>th</sup> August, 2015 to Saturday, 15<sup>th</sup> August, 2015 to those members whose names shall appear on the Company's Register of Members on 31<sup>st</sup> July, 2015 in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owner as on that date.
7. Members are requested to bring the attendance slips along with their copies of the Annual Report to the meeting.
8. Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, excluding national holidays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
10. Members holding shares in electronic form are requested to intimate any change in their address and/or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address and / or bank mandate to the Company.
11. Shareholders may be aware that the Companies Act, 2013, permits service of the notice of the Annual General Meeting through electronic mode. Electronic copy of the Annual Report including Notice of the 35<sup>th</sup> Annual General Meeting of the Company along with the attendance slip and Proxy form is being sent to all the members who are registered with the Company / Depository Participant(s) for communication purpose. Members holding shares in physical form who have not registered their e-mail address with the Company can register the same by submitting to the Company duly filled-in 'E-Communication Registration Form' attached at the end of this Notice (also available on our website [www.shaily.com](http://www.shaily.com)). Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
12. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.

13. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to Secretarial Department of the Company.
14. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of Companies Act, 2013 and Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
15. Members' attention is invited for the following;

Pertaining to query raised by the BSE Ltd. on an application for listing of 10,00,000 equity shares allotted to Mr. Ashish Kacholia, that Compliance Certificate of Statutory Auditor required under the ICDR regulations addressed to BSE Ltd. which was placed at the Extra Ordinary General Meeting held on 20<sup>th</sup> November, 2014 for inspection by the members shall be addressed to the Board of Directors, Shaily Engineering Plastics Ltd., Survey No. 364/366, At & Po. Rania, Ta. Savli, Dist., Vadodara and same shall be placed at the Annual General meeting of the company for the inspection by the members.

16. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 1<sup>st</sup> August, 2015 are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the dispatch of the Annual Report and before the cut off date i.e. 1<sup>st</sup> August, 2015 may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means. The e-voting period will commence on 05<sup>th</sup> August, 2015 from 10.00 a.m. and will end on 07<sup>th</sup> August, 2015 at 5.00 p.m. The Company has appointed Mr. S. Samdani and failing him Mr. Suresh Kabra Practising Company Secretary (ies), to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

#### 17. **PROCEDURE FOR E-VOTING**

Voting through electronic means (E-Voting):

- 1) In accordance with the applicable provisions of Listing Agreement and Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 (the Rules), the Company is pleased to provide facility to its members, to cast their vote electronically for all the resolutions proposed at the 35<sup>th</sup> Annual General Meeting of the Company. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting (remote e-voting) arranged by the Central Depository Services (India) Ltd. (CDSL). The facility for voting, through ballot paper for members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper.
- 2) The voting right of shareholders shall be in proportion to one vote per fully paid equity share of the Company held by them as on the cutoff date 1<sup>st</sup> August, 2015. As per the provisions of Articles of Association of the Company a member shall not be entitled to vote whilst any call are due and payable to the company in respect of any share of the shareholder. Therefore shareholders holding partly paid shares who have not paid the Final Call Money shall not be entitled to vote to the extent of the partly paid shares held by them.
- 3) The remote e-voting period begins on 05<sup>th</sup> August, 2015 from 10.00 a.m. and will end on 07<sup>th</sup> August, 2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 1<sup>st</sup> August, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- 4) Mr. S. Samdani and on failing him Mr. Suresh Kabra partner(s) of Samdani Shah & Associates has been appointed by the Board of Directors of the Company, as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

5) **The instructions for members for voting electronically are as under:-**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
  - a) For CDSL: 16 digits beneficiary ID,
  - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and
- (vii) voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the serial number (refer serial no. printed on the name and address sticker/Postal Ballot Form) in the PAN field. The Sequence number is printed on the address sticker / e-mail to the members pertaining to the Notice of 35th AGM.</li> <li>- In case the serial number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with serial number 1 then enter RA0000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- 6) The results of e-voting shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer’s Report shall be available on the Company’s website within two (2) days of passing of the resolution at the AGM of the Company and communicated to the stock exchange.

**EXPLANATORY STATEMENT****Pursuant to Section 102(1) of the Companies Act, 2013****Item # 5**

The Board of directors of the Company on the recommendation of the Audit committee, approved the appointment and remuneration of M/s. Y. S. Thakar & Co., Practicing Cost Accountants, Vadodara, to conduct the audit of the cost records of the Company for the financial year ended 31<sup>st</sup> March, 2016.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the rule 14 of the Companies (Audit and Auditors) rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, consent of the shareholders is sought for passing the Ordinary Resolution as set out in item No. 5 of the notice for ratification of the remuneration payable to Cost Auditors for conducting Cost Audit for the financial year ending March 31, 2016.

None of the Directors of the Company and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in any way, in the aforesaid resolution set out in Item No. 5 of the Notice.

Board recommends resolution under Item No. 5 as Ordinary Resolution.

**Item # 6**

Mr. Milin Mehta is a Chartered Accountant and is a senior partner of M/s. K. C. Mehta & Co. Chartered Accountants, Baroda for about 3 decades. He is a fellow member of the Institute of Chartered Accountants of India. He is also a Law Graduate and has obtained a Master's Degree in Commerce. After becoming Chartered Accountant at a very young age of 21 years, he involved himself in the professional practice and also various social and professional activities. With exceptionally bright academic record, he has secured rank in the merit list in the examination of the Institute of Chartered Accountants of India and also secured Gold Medal in the M. Com. Examination of the M.S. University of Baroda. In the professional practice he is mainly engaged in the area of providing consultancy to various corporate and non-corporate bodies in the area of strategy, taxation (domestic and international) and Mergers, Acquisitions, Joint Ventures, etc. He has been strategic advisors to several industrial groups, especially the groups which have multi-country operations.

Mr. Milin Mehta has also been invited as special representative of the Institute of Chartered Accountants for making representation before the Central Board of Direct Taxes / Standing Committee of the Parliament on formation of new Direct Tax Code. Mr. Milin Mehta was also a member of the Committee set up by the Central Board of Direct Taxes for framing "Tax Accounting Standards". He has held the position of Treasurer and Vice Chairman of the Western India Regional Council of the Institute of Chartered Accountants of India covering Gujarat, Maharashtra and Goa. He has contributed a large number of papers in various seminars and conferences organized by professional organizations all throughout the country and have also contributed articles in reputed Professional Journals and Magazines. Mr. Milin Mehta has been invited very often to take lectures in educational seminars for the Members of Income Tax Appellate Tribunal, Commissioners of Income Tax, Income Tax Officials of different ranks. He has also co-authored a book on "Minimum Alternate Tax" published by the Bombay Chartered Accountants' Society. He is also active in social service and is past President of the Baroda Lions Club Education Trust, which manages Baroda High Schools in the city of Baroda having about 11,000 children studying in its 4 campuses. He is a Government Nominated member of the Senate and Syndicate of the prestigious M. S. University of Baroda having about 40,000 students on its roll.

Mr. Milin Mehta was appointed as an Additional Director w.e.f. 08<sup>th</sup> November, 2014 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 96 of Article of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing Mr. Milin Mehta candidature for appointment as Independent Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013.

Mr. Milin Mehta is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr. Milin Mehta that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board, Mr. Milin Mehta fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Milin Mehta is independent of the management and possesses appropriate skills, experience and knowledge.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Milin Mehta is appointed as an Independent Director of the Company. Copy of the draft letter for appointment of Mr. Milin Mehta as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

None of the other Directors / Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in these resolution.

The Board feels that presence of Mr. Milin Mehta on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 6 to be passed as an ordinary resolution.

### **Item # 7 & 8**

Mr. Amit Sanghvi is an Electrical Engineer from University of Ottawa and also has a Masters degree in Manufacturing Management from the Pennsylvania State University. He has previously worked with Arete Inc. (USA) as a Business process consultant for Pepsi and Coke and has made a remarkable contribution thereat.

Mr. Amit Sanghvi has worked his way up in Shaily starting as a Manufacturing Engineer and then as Marketing Engineer. During the last four years, Mr. Amit has been looking after the functions of Strategy, Sales & Marketing and Project Management. He has been responsible for defining the short-term and long-term strategy of the company, rationalizing the product portfolio, developing new products and managing the relationship with key customers. He has also been responsible for driving the brand strategy of Shaily for representation in global marketing fora. Under his leadership of the sales marketing function, the company has seen a remarkable growth in revenue.

The Board of Directors of the Company at its meeting held on 08<sup>th</sup> August, 2014 has re-appointed Mr. Amit Sanghvi as Whole Time Director for a period of 3 (Three) years commencing from 1<sup>st</sup> October, 2014 with same remuneration and the members' approval has been accorded at 34<sup>th</sup> AGM held on 20<sup>th</sup> September, 2014. In compliance with the provisions of Section 178 of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014 read with Schedule V to the Companies Act, 2013 and based on the recommendation of the Nomination and Remuneration Committee meeting held on 16<sup>th</sup> May, 2015, the terms and conditions and payment of remuneration to Mr. Amit Sanghvi were approved by the Board meeting held on 16<sup>th</sup> May, 2015. The Company has entered into an Agreement with Mr. Amit Sanghvi signifying the terms of change in designation (re-designate) from Whole time Director to Managing Director and payment of remuneration as Managing Director. The Board of Directors have revised the remuneration of Mr. Amit Sanghvi from ` 4,00,000 per month to ` 10,00,000 per month within the range of ` 10,00,000 to ` 15,00,000 per month, starting from 1<sup>st</sup> April, 2015 for his remaining tenure of 2 years and 5 months, on the terms, conditions and remuneration set out below, subject to approval of shareholders and such other approvals and sanctions as may be required in the matter.

1. **Gross Remuneration** - ` 10,00,000 per month in range of ` 10,00,000/- to ` 15,00,000/- per month.
2. **Commission** - Commission based on the net profits of the company as determined by the Board, subject to the ceiling prescribed in that behalf under the Companies Act, 2013 at the discretion of the Board of Directors.
3. **Accommodation** - House Rent Allowance and house maintenance expenses, society charges and the like relating thereto on actual basis within the ceiling of the gross remuneration.
4. **Perquisites** - Perquisites together with utilities thereof such as gas, electricity, water, servants' allowance, education allowance for dependent children, entertainment and newspaper and periodicals allowance, medical reimbursements, leave travel allowance for himself and his family, club fees, medical insurance, and the like in accordance with the rules of the company or as agreed by the Board of Directors, the total value thereof to be restricted to an amount not exceeding his monthly gross remuneration.
5. **Superannuation Scheme** - Contribution towards superannuation scheme @ 10% of basic salary, which would be within the monthly gross remuneration as mentioned above.
6. **Retirement Benefits** - Company's contribution to Provident Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 and Gratuity payable in accordance with the Rules of the Company and the value of such benefits shall not be included in the computation of the ceiling on remuneration or perquisites aforesaid.

**7. Use of Car and Telephone** - Provision of one company owned car and driver for the company's business. The perquisite value for the car/driver will be determined as per prevailing Income Tax Rules, 1962 and telephone at residence (including payments for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

**8. Leave** - In accordance with the Rules and Regulations of the company.

A copy of the Agreement executed between Mr. Amit Sanghvi and the Company shall be available for inspection without payment of fees by any Member of the Company at the Registered Office of the Company during 11.00 a.m. to 1.00 p.m. on any working day, excluding national holidays, up to the date of Annual General Meeting (AGM).

The Board considered the knowledge, experience and expertise of Mr. Amit Sanghvi in the field of Plastic business and is of the opinion that appointment of Mr. Amit Sanghvi as Managing Director shall be of immense benefit to the Company. The Board recommends Resolution Nos. 7 & 8 for approval by the Members.

Mr. Amit Sanghvi and his relatives Mr. Mahendra Sanghvi and Mrs. Tilottama Sanghvi are interested in this resolution.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

### **Item # 9**

Mr. Mahendra Sanghvi is a Chemical Engineer from Wayne State University USA, Plastics Technologist and has done his Diploma MBA from Toronto University, Canada.

He started his career in North American Plastics Industry in the early 70s and progressively worked his way up to very senior position with extensive experience in all aspects of Plastic Injection Moulding. He has worked with reputed companies such as W.R. Grace, a division of ITW USA, Magna International (for its division in Toronto) etc. He was also the Director in Tilco Plastics Limited, a large injection moulding company in Canada. He has more than 41 years of experience in Plastics Industry.

Presently, he is on the Board of Munjal Auto Industries Ltd. and Integra Engineering India Ltd. Moreover, he is a member of Committee of Administration of The Plastics Export Promotion Council (Plexcouncil) and also a member of the Executive Committee of the Organisation of Plastic Processors of India. He has been the Co-Chairman Overseas of Plastindia Foundation and is a well known face in the Plastics Industry Fraternity.

Mr. Mahendra Sanghvi has been the Managing Director of Shaily Engineering Plastics limited, for the past 25 years and is principally responsible for its stupendous growth and recognition globally. The Company has achieved greater heights under his leadership.

The Board considered the knowledge, experience and expertise of Mr. Mahendra Sanghvi in the field of Plastic business and is of the opinion that re-designation (change in designation) of Mr. Mahendra Sanghvi as Executive Chairman shall be of immense benefit to the Company. The Board recommends Resolution No. 9 for approval by the Members.

Mr. Mahendra Sanghvi and his relatives Mrs. Tilottama Sanghvi, Mr. Amit Sanghvi and Mr. Laxman Sanghvi are interested in this resolution.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the Shareholders.

### **Item # 10**

The Ministry of Corporate Affairs vide its notification dated 18<sup>th</sup> March, 2015 amended the Companies (Meeting of Board and its powers) Rules, 2014 and issued Companies (Meeting of Board and its powers) amendment Rules, 2015 wherein certain powers of the Board which are exercised by the Board at Board Meeting only by means of resolutions passed at meetings of the Board, are deleted as under:

- a. To take note of appointment(s) or removal(s) of one level below the key management personnel
- b. To take note of the disclosure of directors' interest and shareholding

- c. To buy ,sell investments held by the company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee company
- d. To invite or accept or renew public deposits and related matters
- e. To review or change the terms and conditions of public deposits
- f. To approve quarterly, half yearly and annual financial statements or financial results as the case may be.

In view of the amendments, it is necessary to amend the Article 143 of the Articles of Association of the Company pertaining to powers of the Board.

Article 94 of the Articles of Association provides that Managing Director of the Company will act as Chairman of the Board. Pursuant to change in designation Mr. Mahendra Sanghvi as Executive Chairman of the Company it is necessary to amend the said Article to enable him to act as Chairman of the Board. Therefore, it is proposed to amend the Articles of Association of the Company.

The proposed new draft AOA is available for inspection at the Registered Office of the Company on all working days, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in this Resolution.

The Board commends the Special Resolution set out at Item No. 10 of the Notice for approval by the Shareholders.

**Registered Office:**  
**Survey No. 364/366,**  
**At & Po. Rania - 391 780,**  
**Taluka Savli, Dist. Vadodara**  
CIN: L51900GJ1980PLC065554  
E-mail: investors@shaily.com  
Date: 16<sup>th</sup> May, 2015

**By order of the Board**  
**For Shaily Engineering Plastics Limited**

**Amit Sanghvi**  
**Managing Director**  
**(DIN : 00022444)**

**Details of Directors recommended for appointment or seeking re-appointment at the Annual General Meeting**

<b>Name of Director</b>	<b>Amit Sanghvi</b>	<b>Milin Mehta</b>
DIN	00022444	01297508
Date of Birth	26.07.1983	08.09.1964
Date of Appointment	01.10.2011	08.11.2014
Qualification	M.Sc (Supply Chain and Manufacturing) B.E. (Electrical)	F.C.A, M.com. L.L.B
Expertise in specific functional area	Sales, Business Development & IT	Strategic Advisor , taxation (domestic and international), Mergers & Amalgamation, joint Ventures, etc
Directorship held in other Public companies (excluding foreign and private companies)	—	1. Alembic Limited 2. Alembic Pharmaceuticals Limited
Memberships/ Chairmanships of committees in other public companies	—	<u>Alembic Limited</u> 1. Audit Committee 2. Investors'/Shareholders' Grievance Committee  <u>Alembic Pharmaceuticals Ltd.</u> 1. Audit Committee
Shareholding in the Company	60,000 Equity Shares	NIL

**STATEMENT AS PER SCHEDULE V OF THE COMPANIES ACT, 2013**

**I. General Information**

1. **Nature of Industry** – The Company is engaged in manufacture and sale of High Precision Injection Moulded Plastic Components, Assemblies, Sub-assemblies, Finishing, etc. for various industries & OEM segment.
2. **Date or expected date of commencement of commercial production** - Commercial production of the Company commenced since August, 1987.
3. **In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus** – N.A.
4. **Financial performance based on given indicators** –

(₹ In lacs)

Particulars	Current Year (2014-15)	Previous Year (2013-14)
Gross Total Income	18,540.44	15,055.93
Profit before depreciation and tax	2,131.56	1,619.94
Less: Depreciation	641.89	595.85
Less: Provision for taxation*	-0.20	35.47
Less / (Add) : Deferred tax liability / (asset)	188.99	10.66
Profit after tax	1,300.88	658.55

\*Including short/ (excess) provision for previous year.

5. **Foreign investments or collaborators, if any** – There are no foreign investments / collaborations.

**II. Information about the Appointee**

**Mr. Amit Sanghvi**

1. **Background details** - Mr. Amit Sanghvi, aged 31 years, has done his M.Sc in Supply Chain and Manufacturing from Penn State University and Electrical Engineering from University of Ottawa. He has previously worked with Arete Inc. (USA) as a Business process consultant for Pepsi and Coke and has made a remarkable contribution thereat. Before being appointed as Whole-time Director, Mr. Amit Sanghvi was holding the position of Additional Director and General Manager – Projects in the company.
2. **Past remuneration** – The total remuneration paid to Mr. Amit Sanghvi for the year ended on 31<sup>st</sup> March 2014 is ₹ 47,99,748/-.
3. **Recognition or awards** – The Company has bagged Exporter of the year award for the years 2009.10, 2010.11, 2011.12 and 2012.13 with the professional contribution of Mr. Amit Sanghvi.
4. **Job profile and his suitability** – As stated above, Mr. Amit Sanghvi has got the necessary qualification for the position and has gained the necessary practical experience of working in the field at such a young age.
5. **Remuneration proposed** – The details of remuneration proposed to be paid to Mr. Amit Sanghvi are contained in Resolution No.8 of the Notice of the 35<sup>th</sup> Annual General Meeting.
6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)** – In comparison with the industry norms in other organization in same industry and considering his vast experience the proposed remuneration is justified as compared to Industry in India as well as abroad.

7. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any** - Mr. Amit Sanghvi is holding 60,000 equity shares of the company. Apart from this, he does not have any other pecuniary transactions with the Company except by way of his employment with the Company. He is relative of Mr. Mahendra Sanghvi and Mrs. Tilottama Sanghvi Directors of the Company.

### III. Other Information

1. **Reason of loss or inadequate profits** – N.A.
2. **Steps taken or proposed to be taken for improvements** – N.A.
3. **Expected increase in productivity and profits in measurable terms** - N.A.

### IV. Disclosures

1. The details of remuneration proposed to be paid to Managing Director are mentioned in the notice for the 35<sup>th</sup> Annual General Meeting.
2. All the relevant information pertaining to the Executive Chairman, Managing Director, Executive Director, Whole-time Director and other Directors required to be disclosed in the Directors' Report under the heading "Corporate Governance", are mentioned in the Annual Report.



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**SHAILY ENGINEERING PLASTICS LIMITED**

**CIN: L51900GJ1980PLC065554**

Registered Office: Survey No. 364/366, At & Po. Rania - 391780, Taluka Savli, Dist. Vadodara  
Phone No.: 02667-244307/361 FaxNo.: 02667-244372 Email: investors@shaily.com Website: www.shaily.com

**ATTENDANCE SLIP**

35<sup>th</sup> Annual General Meeting on 08<sup>th</sup> August, 2015

DP.Id*	
Client Id*	
Reg. Folio No.	

Name and address of the Shareholder: \_\_\_\_\_

No. of Share(s) held: \_\_\_\_\_

I certify that I am a member/proxy for a member of the Company. I hereby record my presence at 35<sup>th</sup> Annual General Meeting of the Company to be held on Saturday, 08<sup>th</sup> August, 2015 at Registered Office: Survey # 364/366, At & Po. Rania - 391780, Taluka Savli, Dist. Vadodara

\_\_\_\_\_  
\*\* Member's/Proxy's name in Block Letters

\_\_\_\_\_  
\*\* Member's/Proxy's Signature

Note: Member/Proxy must bring the Attendance Slip to the Meeting and hand it over, duly signed at the registration counter.

\* Applicable for Investors holding shares in electronic form.

\*\* Strike out whichever is not applicable



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Phone No.: 02667-244307/361 FaxNo.: 02667-244372 Email: investors@shaily.com Website: www.shaily.com

**E-COMMUNICATION REGISTRATION FORM**

Folio No. / DP ID & Client ID: \_\_\_\_\_

Name of 1<sup>st</sup> Registered Holder: \_\_\_\_\_

Name of Joint Holder(s): \_\_\_\_\_

Registered Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

E-mail ID (to be registered): \_\_\_\_\_

I/we shareholder(s) of Shaily Engineering Plastics Limited agree to receive communication from the Company in electronic mode. Please register my above e-mail id in your records for sending communication through e-mail.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Note: Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.

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# SHAILY ENGINEERING PLASTICS LIMITED

CIN: L51900GJ1980PLC065554

Registered Office: Survey No. 364/366, At & Po. Rania - 391780, Taluka Savli, Dist. Vadodara  
Phone No.: 02667-244307/361 FaxNo.: 02667-244372 Email: investors@shaily.com Website: www.shaily.com

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**35<sup>th</sup> Annual General Meeting on 08<sup>th</sup> August, 2015 at 12.00 noon.**

Name of the Member(s)	
Registered address	
E-mail Id	
Folio No. / Client Id	
DP ID	

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name:

Address:

E-mail Id:

Signature:.....or failing him/her

2. Name:

Address:

E-mail Id:

Signature:.....or failing him/her

3. Name:

Address:

E-mail Id:

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35<sup>th</sup> Annual General Meeting of the Company to be held on Saturday, 08<sup>th</sup> August, 2015 at 12.00 noon. at the Registered Office of the Company at Survey No. 364/366, At & Po. Rania - 391780, Taluka -Savli, Dist. Vadodara, and at any adjournment thereof in respect of such resolutions as are indicated below:

- To receive, consider and adopt the financial statements of the Company for the year ended March 31, 2015, including the audited Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and on that date and the Reports of the Board of Directors and Auditors thereon.
- Declaration of Dividend on Equity shares.
- Re-appointment of Mr. Amit Sanghvi, who retires by rotation.
- Appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants as Statutory Auditors for the F.Y.2015.16.
- Approval of the remuneration of Cost Auditors.
- Appointment of Mr. Milin Mehta as an Independent Director
- Change in designation (re-designation) of Mr. Amit Sanghvi from Whole time Director to Managing Director.
- Increase in remuneration of Mr. Amit Sanghvi, Managing Director.
- Change in designation (re-designation) of Mr. Mahendra Sanghvi from Managing Director to Executive Chairman.
- Amend Articles of Association of the Company.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Signature of Shareholder \_\_\_\_\_ Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp  
of Rs.1

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**



**SHAILY ENGINEERING PLASTICS LIMITED**

**CIN: L51900GJ1980PLC065554**

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