SHAILY
Engineering Plastics Ltd
CIN # L51900GJ1980PLC065554

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SEPL/SE/Sep/23-24
September 6, 2023

The General Manager,
Corporate Relations/Listing Department
BSE Limited
Floor 25, P.J. Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code: 501423

The Manager,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra – Kurla Complex,
Bandra (E),
Mumbai – 400 051
Scrip Code: SHAILY

Sub: SEPL Annual Report 2022-23

Ref: Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

Please find enclosed Annual Report of Shaily Engineering Plastics Limited ("the Company") for the Financial Year ended on 31st March 2023.

The 43rd Annual General Meeting of the Company is scheduled as below:

Day & Date	:	Friday, 29th September, 2023
Time	:	10:30 a.m., IST
Mode	:	Through Video Conferencing ("VC"/Other Audio-Visual Means) ("OAVM").

Kindly take the same on record.

Thanking You.

Yours truly,
For Shaily Engineering Plastics Limited

DIMPLE ASHWINBHAI MEHTA

Digitally signed by DIMPLE ASHWINBHAI MEHTA
DN: c=IN, o=PERSONAL, title=8748,
pseudonym=28dd610549b34b4aadfc7aa64744d799,
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ASHWINBHAI MEHTA
Date: 2023.09.06 14:13:08 +05'30'

Dimple Mehta
Company Secretary & Compliance Officer
M. No. A 31582
Encl : a/a

Shaily Engineering Plastics Limited

Annual Report 2022-23

Building sustainable profitability

Contents

Corporate overview

Statutory section

Financial section

Disclaimer

We have exercised utmost care in the preparation of this report. It contains forecasts and/or information relating to forecasts. Forecasts are based on facts, expectations and/or past figures. As with all forward-looking statements, forecasts are connected with known and unknown uncertainties, which may mean the actual result deviate significantly from the forecast. Forecasts prepared by the third parties, or data or evaluations used by third parties and mentioned in this communication, may be inappropriate, incomplete, or falsified. We cannot assess whether information in this report has been taken from third parties, or these provide the basis of our own evaluations, such use is made known in this report.
As a result of the above-mentioned circumstances, we can provide no warranty regarding the correctness, completeness and up-to-date nature of information taken and declared as being taken, from third parties, as well as for forward looking statements, irrespective of whether these derive from third parties or ourselves. Readers should keep this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

Online Annual report
https://www.shaily.com/investors/compliances-policies/annual-report

6 overarching messages of this Annual Report

1

The Company is attractively placed to capitalise on global majors reorganising their supply lines through alternatives to China

2

The Company's development and manufacturing of proprietary IP-based self-use drug delivery systems witnessed traction since five years and is expected to witness strong growth

3

Shaily Engineering is attractively positioned to capitalise through its presence across four principal customer segments

4

The Company's presence in high precision and high engineering niches continues to enhance annuity incomes and revenue visibility

5

The Company's disciplined capital allocation is being directed towards select investments in large sectorial opportunities

6

The Company continues to remain liquid and profitable, reinvesting accruals to create a sustainable momentum

Corporate snapshot

Shaily Engineering Plastics Limited.

Established in 1987, Shaily is India's largest exporter of plastic components.

The Company is globally respected for manufacturing high-precision moulded plastic products.

The Company supplies moulded products across the healthcare, consumer, personal care, appliances, automotive and lighting sectors.

Over the years, the Company has built an exclusive clientele of global brands who are leaders in their respective sectors.

Our vision and mission

To provide end-to-end solutions in plastics. Deliver superior quality to our customers; higher profitability and value to our shareholders; and sustainability for future generations

Our values

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

Our background

Shaily Engineering Plastics Limited was founded by Mike Sanghvi in 1987. The Company has evolved from a two-machine start-up to becoming India's leading exporter of engineered plastic components. The Company is stewarded by Mr. Amit Sanghvi, Managing Director, who is guided by a Board of Directors that comprises respected professionals distinguished in their respective fields of expertise.

Our presence

The Company is strategically positioned near Baroda, Gujarat, ensuring easy access to suppliers and customers, marked by a hassle-free shipment of products. Shaily exports to more than 40 countries.

Our capacities

The Company possessed a manufacturing base of over 190 moulding machines across its seven manufacturing facilities in Halol and Rania in Gujarat at the close of FY 2022-23. The Company's manufacturing facilities were equipped with high-speed automation and robotic technologies.

Our quality standards and accreditations

Shaily implements the most stringent quality, manufacturing and social practices, utilising cutting-edge technologies and employing skilled workers to deliver quality products. The Company's organisation-wide quality management system supports continuous improvement. The Company is certified with some of the highest global quality standards, such as:

- ISO 9001 : 2015
- IATF 16949 : 2016
- ISO 13485 : 2016
- ISO 15378 2015
- MDSAP
- SCAN
- AEO

Our services

The Company's core strength lies in manufacturing high precision plastics products using high performance engineering polymers such as PA6/66/12, PES, PPS, PBT, LCP, PC, Torlon and PEEK coupled with moulding and assembly functions.

The Company possesses extensive abilities in performing secondary operations, which include pad printing, hot stamping, painting, screen printing, ultrasonic welding, laser marking, and vacuum metalising. Moreover, Shaily possesses a specialisation in developing innovative manual, semi-automated, and fully-automated assembly processes that optimise costs while maintaining superior quality standards.

Our employees

As on 31st March, 2023, the number of employees at Shaily were 1194 (766 staff and 428 permanent employees), possessing a range of competencies across engineering design, fabrication, quality control, finance, sales, service and compliance, among others. The average team age was 34 years.

Our prominent clients

The Company's clientele comprises prestigious brands like such as:

- Gillette
- P&G
- Unilever
- WestRock
- Dr. Reddy's
- Sun Pharma
- Aurobindo Pharma
- Sanofi
- GE Appliances
- Garrett Advancing Motion

Our products

The Company manufactures value-added products from ultra-high-performance engineering plastics that find application in sectors such as:

- Consumer – Home furnishings
- Medical devices
- Toys
- FMCG
- Pharma packaging
- Automotive
- Appliances
- Engineering

Our R&D capabilities

Shaily UK, our innovation center in UK, and Shaily India, collaborate to develop class-leading technologies and intellectual property for self-use drug delivery systems covering the entire development and regulatory cycle.

With services such as industrial design, engineering design, tolerance analysis, prototyping, testing, design for manufacture (DFM), design for assembly (DFA), mould design and manufacturing expertise, The Company supports customers in the area of new product development, ensuring optimum manufacturing, assembly processes and secondary operations, without compromising quality.

Our awards and recognition

- Won the PLEX CONCIL Award for the Top Exporter of Engineering Components from 2005 onwards till date.
- Won the Top Exporter Award at Concor Awards, 2017
- Won Piramal All India Kaizen Competition 2017-18 for the automation of kaizen initiatives
- Won the gold medal for Outstanding Export of Finished Plastic Goods by Plastindia Foundation
- Recognised by the Government of India for our R&D capability
- Shared the Good Design Award with Sanofi, for the industrialistion of the pen injector
- Awarded 100% Quality Award for supplying Shellpak with 100% product quality for two years

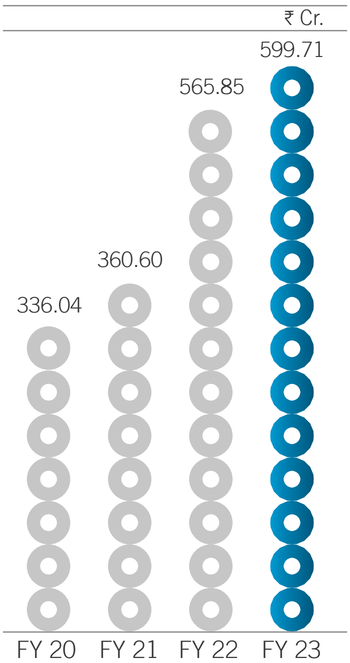
Our credit rating

The Company maintained its CARE A with Stable for long-term loans and CARE A1 for short-term facilities, reflecting the strength of its business model, financial stability, promoter credibility, product quality and stakeholder relationships.

Our listing

The Company's equity shares are traded on the Bombay Stock Exchange and National Stock Exchange. The Company's market capitalisation was ₹942.81 Cr. and ₹943.40 Cr. on BSE and NSE respectively as on 31st March, 2023.

How we have grown through the years



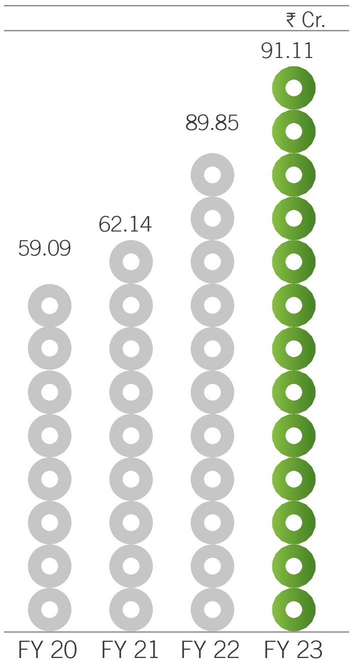
Revenues (Standalone)

Definition
Growth in sales net of taxes

Why this is measured
It is an index that showcases The Company's ability to maximise revenues, which provided a basis against which The Company's success can be compared with sectoral peers.

What this means
The Company reported a 5.98% growth in sales revenue to ₹599.71 Cr. This growth was mainly on account of a deeper mining of customer relationships and growth of specific segments like pharmaceuticals and health care

Value impact
The growth in revenues provides The Company with the critical mass to amortise fixed costs, service customers with on-time and in-full deliveries and enhance profitability.



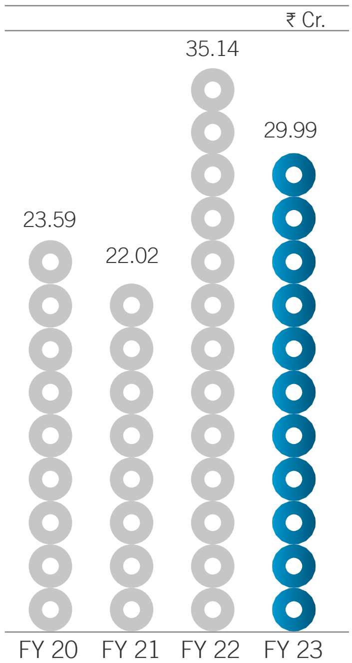
EBITDA

Definition
Earnings before the deduction of fixed expenses and provisions (interest, depreciation, extraordinary items and tax)

Why this is measured
It is an index that showcases the Company's ability to generate a surplus after optimising operating costs, providing a base for comparison with sectoral peers.

What this means
Helps create a robust surplus-generating growth engine that enhances reinvestment.

Value impact
The Company reported an EBIDTA growth of 1.41% in FY 2022-23, the fifth successive year of EBITDA growth. The improvement was on account of higher revenues and a revenue mix weighted towards value-added segments.



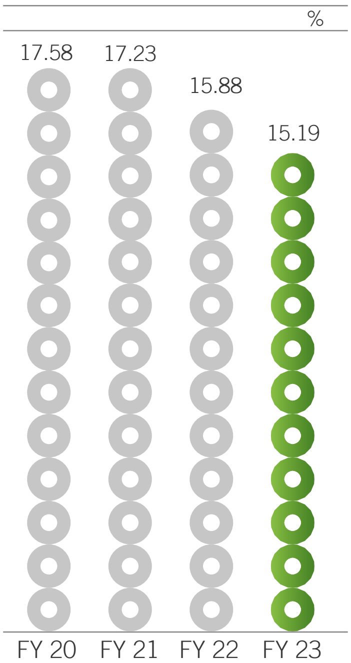
Net profit

Definition
Profit earned during the year after deducting all expenses and provisions

Why this is measured
It highlights the strength of the business model in enhancing value for shareholders.

What this means
This ensures that adequate cash is available for reinvestment, strengthening the virtuous cycle of business sustainability.

Value impact
The net profit was impacted due to high costs incurred in growing the business as well as commodity inflation.



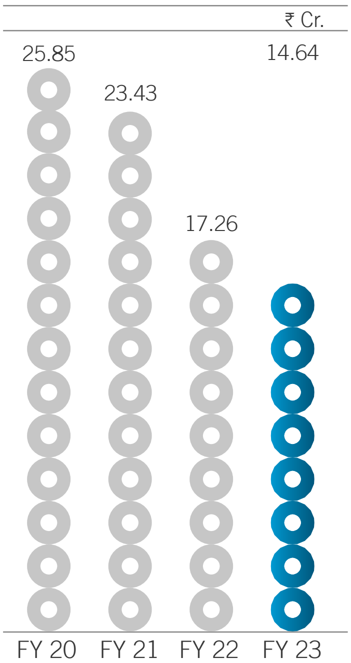
EBIDTA margin

Definition
EBITDA margin is a profitability measure to ascertain a company's operating efficiency

Why this is measured
The EBIDTA margin provides an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

What this means
This measure demonstrates the buffer in the business, which, when multiplied by scale, can potentially enhance the surplus.

Value impact
The Company reported a 69-bps decline in its EBIDTA margin in FY 2022-23 on account of higher fixed costs.



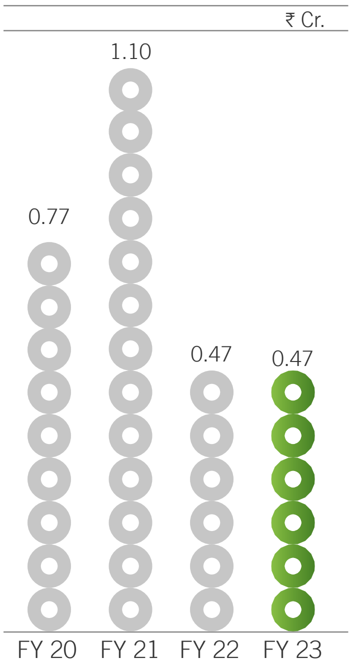
ROCE

Definition
This is a financial ratio that measures efficiency with which capital is employed in the Company's business

Why this is measured
ROCE is an insightful metric to compare profitability across companies based on their capital efficiency

What this means
Enhanced ROCE can potentially drive valuations and market perception.

Value impact
The ROCE was impacted by 262 bps due to investments being made by the Company in fixed assets and lower capacity utilisation.



Gearing

Definition
This is the ratio of debt to net worth

Why this is measured
This is one of the defining measures of a company's financial health. This indicates the ability of the Company to remunerate shareholders over debt providers (the lower the gearing the better).

What this means
This indicates whether the Company enhances shareholder value by keeping the equity side constant while moderating debt.

Value impact
The Company's gearing has remained the same as previous year.

Our global footprint

The Company generated 77.03% of its revenues from sales outside India

International revenues grew 9.2% in FY 2022-23

The Company's international sales were generated from 40+ countries

The Company addresses the volume and complex needs of marquee global companies

Chairman's overview

At Shaily, we are placed at the right time in the right place and in the right sector.

In a world marked by armed conflicts, economic slowdown, inflation and rising interest rates, it is a testament to Shaily's resilience that its Balance Sheet remained unimpaired, liquidity protected, and net worth enhanced during the year under review. It was the Company's prudent management across the board that empowered it to navigate the turbulence with confidence and competence.

The engineering plastic moulding space, domestically and globally, is vast and growing, with specialists across the packaging, consumer goods, automotive, white goods, electronics and healthcare segments.

As a focused player committed to carving out a distinctive recall in the minds of its prospects, Shaily deepened its presence in the consumer goods and healthcare segments. Even as the Company is located in India, it rides a validated service delivery backbone, which makes it a trusted extension of the customer's enterprise. The result is that we have graduated from vendors to partners, from one-off engagements to enduring multi-year relationships and from mere product supply to helping take the customer's business ahead.

At Shaily, we have strengthened our competence through a growing presence within niches of our selected spaces. In the healthcare segment, for instance, we have selected to focus on self-use injection systems for drug delivery. This space is complex, dominated by few global players and its warranted knowledge cum quality systems represents a competitive barrier.

At Shaily, we invested in world-class technologies and intellectual property to become a key player across domains. The result is that we have developed a specialisation, which has enhanced our recall as a knowledge-driven player possessing distinctive intellectual property and manufacturing know-how. This has positioned us ahead of our international competitors from the developed European and North American countries. In turn, this competitive positioning has helped carve out a significant generic market share in the pharmaceutical sector, making us a preferred collaborative partner in the development of research-driven drug delivery combination products.

The underlying optimism at our Company is that of a structural shift that is beginning to transpire. Following the pandemic, a number of large quality-driven downstream customers have begun to re-orient their supply chains away from China, broadbasing their sourcing risks. In an increasingly bipolar world, there is also a possibility of the developed west seeking to grow their non-China procurement. These developments have opened an unprecedented opportunity for quality-driven players like Shaily.

In an emerging scenario, these are some of the competitive advantages that a company like Shaily will be attractively positioned to capitalise on: one, the Company comes with a rich track record of proven product delivery experience; two, the Company has demonstrated the trust and capability to sustain enduring relationships with large marquee customers; three, the Company possesses design capabilities that makes it possible to suggest product modifications or improvements as opposed to mere products manufacture as desired; four, the Company has graduated from product manufacture to one-stop solutions delivery; five, the Company has demonstrated a deep competence in engineering expertise and precision.

At Shaily, we are placed at the right time in the right place and in the right sector. There is no question that engineering plastics – not to be confused with single-use plastics that figure at the bottom of the value chain – represent the most suitable alternative to metal in the manufacture of a range of high precision products. As India proceeds towards a US$5 trillion economy, the significance of the petrochemical and its derivatives sector will only grow across the agriculture, infrastructure, manufacturing and services applications.

In view of this, we are optimistic of our medium-term outlook in making select investments, acquiring new customers, growing our order book, increasing the proportion of value-added products, generating handsome predictable and reinvestable surpluses – a virtuous cycle that enhances value for all our stakeholders in a sustainable way. In line with this blueprint, we are reinvesting to more than double our pharma product manufacturing capacities in FY 2023-24, strengthening our momentum.

At Shaily, our story has been one of determination, adaptability and innovation. Our achievements have been derived from our employee commitment and perseverance, unwavering support of our customers and the concurrence of our capital providers.

We believe that this eco-system is robust and scalable, and should make our growth sustainable, enhancing value for all those associated with our Company.

Mahendra (Mike) Sanghvi,
Executive Chairman

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Strategic overview

At Shaily, we are positioned at the cusp of a large growth wave

Overview

I am pleased to present the performance of Shaily Engineering during the year under review. During the year under review, your Company reported a 6.93% growth in revenues from ₹567.71 Cr. in FY 2021-22 to ₹607.07 Cr. in FY 2022-23. EBITDA strengthened 7.09% from ₹90.02 Cr. in FY 2021-22 to ₹96.4 Cr. in FY 2022-23. Net profit marginally reduced from ₹35.3 in FY 2021-22 to ₹35.2 Cr. in FY 2022-23*. The Company's muted performance was largely on account of macroeconomic headwinds.

The prevailing global challenges, in terms of armed conflict, economic slowdown and inflation, affected the Company's capital efficiency. Return on Capital Employed reduced from 17.3% to 15.7%; EBITDA margin was similar to FY 2021-22 at 15.9%.

The Company's liquidity hygiene continued to be protected, the volatility and increased interest rates notwithstanding. The Company's cash accruals strengthened from ₹61.8 Cr. to ₹68.5 Cr. from during FY 2022-23.

Major global trends

At Shaily Engineering, there is a growing optimism that we are at the right place at the right time to capitalise on an unprecedented global opportunity.

A new global order is emerging with most companies in the western world either seeking to supplement their existing supply chain coming out of China with partners in other countries or replacing these supply lines completely. Considering that China is the world's second-largest economy and arguably the most competitive producer of a range of products, this structural shift in the global supply chain can benefit select countries, including India. At Shaily Engineering, we are optimistic that even a moderate shift in supply chain volumes away from China can create a multi-year growth possibility for our Company.

There is a consumer evolution across a number of countries, marked by a willingness to buy more and buy better. A propensity to buy a larger quantity is being influenced by enhanced per capita incomes, increased aspirations arising

* All numbers mentioned are consolidated

out of a widening social media influence, a willingness to buy unseen quality products from e-commerce marketplaces and an openness to getting purchases financed around equated monthly instalments. At Shaily Engineering, we are seeing a deepening of the momentum towards complex engineered products, a space in which we specialise.

There is a greater premium the world over for ESG compliance. Customers are being appraised not merely around the conventional parameters of cost; there is a bigger ESG screening that is being applied today to ascertain whether the processes used by vendor companies are responsible, whether the fuels utilised are clean, whether the Balance Sheet is liquid, whether the credit rating is confidence-enhancing, whether the Company has invested in the technologies of the future. At Shaily Engineering, we believe that the market environment is rapidly transforming towards values and strategies that it had proactively championed and professed for years.

The last development is the change coming out of India. We are seeing the beginning of the maturing of the Indian consumer; the consumer has graduated from the purchase of the cheapest to the purchase of products that provide a superior price-value proposition; the consumer is more willing to seek consumer financing schemes leading to purchase; the consumer is more informed on choice through the social media; the consumer is willing to experiment with the purchase of untried products and concepts. At Shaily Engineering, we are attractively placed to capitalise through the maturing of its manufacturing eco-system.

Competitive strengths

At Shaily Engineering, we are attractively paced to capitalise on the unfolding global transformation.

One, the Company possesses a rich track record in having supplied critical products & components to some of the largest global marquee brands.

Two, the Company possesses a deep expertise and experience in product design, mould design cum manufacture engineering materials, injection moulding, quality, regulatory and social compliance and global supply chain requirements.

Three, the Company has spread itself prudently across four verticals – health care, personal care, consumer and appliances, automotive & lighting. This has allowed the Company to narrow its field responsibly to deepen its capabilities and graduate as a specialist in these rapidly growing spaces.

Four, the Company has developed proprietary IP for self-use drug delivery systems, positioning itself as one of few global players specialising in such products, creating a competitive advantage that acts as a moat.

Five, the Company has deepened its governance-centric practices, especially with an enhanced focus on processes, practices safety, compliances, certifications and operating hygiene.

Six, the Company emphasised the importance of committed customers providing a regular order book (and hence revenue) visibility; the Company generated over 80% of its revenues in FY 2022-23 from customers of three years or more.

Seven, the Company generated revenues broad-based across markets; 22.97% of revenues were derived from India while 77.03% was generated from a complement of 40 countries across America, Europe, Asia and Australia.

Going ahead

Your Company is deepening its strategic direction through the following initiatives.

The Company is increasing its focus on the healthcare vertical, a segment marked by technology-challenging projects translating into a superior exercise of the Company's knowledge capital leading to commensurate realisations.

The Company will seek to work with demanding customers that need complex products and can provide the prospect of multi-year engagement that translates into superior and sustainable revenues.

The Company will deepen its presence in the space of mixed materials, marked by the integration of multiple resources leading to the development of complex products.

The Company will broad-base its organisation around positions that are plugged with subject matter experts, making it growth-ready.

The Company will continue to invest across market cycles , especially downturns, with the objective to be growth-ready for a sectorial rebound.

There is a greater premium the world over for ESG compliance. Customers are being appraised not merely around the conventional parameters of cost; there is a bigger ESG screening that is being applied today to ascertain whether the processes used by companies are responsible, whether the fuels utilised are clean, whether the Balance Sheet is liquid, whether the credit rating is confidence-enhancing a whether the Company has invested in the technologies of the future.

Conclusion

Through these initiatives, we are optimistic that Shaily Engineering will grow in a sustainable manner: the lowest (or no) decline during sectorial downtrends and among the first to get off the blocks during a period of recovery.

We also believe that by the virtue of generating sizable cash flows, we are attractively placed to reinvest in deepening our capacities and competencies, empowering us to enhance value for all stakeholders.

Amit Sanghvi,
Managing Director

Review of our fundamentals

A financial perspective of our business

How we countered a challenging FY 2022-23 and re-invested in our business

Big picture

The overarching message is that the Company continued to deepen its presence even as it was affected by a global market slowdown, increased interest rates, the need to protect the product price-value proposition and safeguard corporate liquidity.

By demonstrating the capacity to absorb costs so that the Company's products continued to deliver a superior price-value proposition, the Company demonstrated its resilience. Besides, a diversified product portfolio and dispersed market presence deepened sustainability. The Company continued to invest across its businesses, strengthening its foundation for sustainable growth. The fact that the Company could report revenue growth of 13.5%, the market environment notwithstanding, validates the robustness of its business model. Besides, the Company countered the slowdown through prudent gearing (balance of debt and net worth), low blended capital cost and a comfortable debt repayment tenure.

Rating

Your Company protected its credit rating of A/Stable for long-term borrowings as appraised by CARE. This rating validates the Company's performance, promoter and prospects and is likely to generate positive spin-offs: empowering the Company to mobilise low-cost debt across longer tenures while attracting credible stakeholders.

Credit rating

Year	FY 22	FY 23
Long term bank facilities	CARE A1/ Positive	CARE A/ Stable
Short term bank facility	CARE A1	CARE A1

Revenues

Your Company reported 5.98% revenue growth during the year under review, emphasising the success of its brand, distribution, product quality and marketing. The growth would have been sharper but for a weakening of the market following the performance of the first quarter (which, if annualised, would have translated into a 21.56% revenue growth over the previous financial year). The Company witnessed growth in volumes across multiple business segments. These included the healthcare, consumer, personal care, and lighting-appliances-automotive segments.

A significant aspect of the strategy involved focusing on the pharmaceuticals segment, which experienced notable expansion. This increase was reinforced by the fact that the Company collaborated with large multinational pharmaceutical companies in the design and manufacture of medical devices considered integral to the launch of select block buster drugs.

The Company continued to focus on new product development, which broad-based its portfolio and, but for the slowdown, would have translated into enhanced revenues from the launch of new products as well as higher volumes on existing products during the last financial year.

The Company focused on enhancing revenues from long-standing customers, transforming what could have been a transaction into an ongoing relationship. Revenues from long-standing customers (three years or more) increased progressively over the years, deepening the Company's revenue stability.
The Company was the sole supplier across various products to large repeat customers, deepening the integration between the organisations.

The growth in the medical devices

segment was catalysed by proactive research spending. The Company launched a research facility in the area of medical devices design in the United Kingdom, a hub for the subject, which increased access to a global pool of engineers. This pool catalysed the Company's research effectiveness coupled with manufacturing within India.

Capital expansion

During the last financial year, the Company embarked on growing the pharmaceutical segment of its business. The Company is in the process of enhancing the factory area from 45,000 sq ft to 170,000 sq ft, corresponded by a doubling in the quantum of equipment, which would be completed in FY 2023-24. In addition, the Company is setting up a state-of-the-art tool room and testing / quality laboratory. This indicates the Company's commitment to increase the proportion of revenues from businesses that provide sizable annuity incomes, which could enhance revenue visibility and margins predictability. The investment outlay of ₹116.41 Cr. for the project would be funded through proceeds of preference issue, which was done earlier , the benefits of which are expected to enhance shareholder value.

Capital expenditure

Year	FY 22	FY 23
Capital expenditurel (₹ Cr.)	116.41	97.73

Profitable growth

During the last decade, the Company scaled its business profitably, validating its resilience. During the year under review, the sequence of profitable growth was temporarily interrupted as the Company reported 5.98% revenue growth (compared with the Indian GDP growth of 7.2%) and 14.64% decrease in PAT. The Company expects to return to profitable growth in FY 2023-24 due to higher revenues from the medical devices business and improvement in utilisation levels.

Profitable growth

Year	FY 21	FY 22	FY 23
Revenue growth %	7.31	56.92	5.98
EBITDA growth %	5.16	44.59	1.41

Excluding other income & standalone figures

Margins

During the last financial year, our EBITDA margin declined due to an increase in fixed costs on the back of lower capacity utilisation.

Year	FY 21	FY 22	FY 23
EBITDA margin %	17.23	15.88	15.19

Raw material intensity

Year	FY 21	FY 22	FY 23
Raw materials as a % of revenues	59.70	63.07	64.44

Liquidity

The Company maximised the use of accruals in business growth, moderating the use of borrowed funds. The Company continued to put a premium on liquidity over profitability when the alternative was between maximised revenues with stretched liquidity and centrist revenues with better cash flows. Working capital as a proportion of the total employed capital was 6.65% in FY 2022-23 and 28.84% in FY 2021-22. The Company's receivables were 54 days of turnover equivalent during the year under review (64.4 days, FY 2021-22), enhancing liquidity.

The Company worked with an under-borrowed Balance Sheet through the last financial year, marked by adequate cash in hand, healthy interest cover, attractively low gearing and modest Net debt/EBITDA. The Company focussed on strengthening terms of trade, leveraging cash in hand and addressing fresh capital expenditure needs (translating into lower incremental debt).

The result of this financial discipline was the Company repaid ₹38.17 Cr. during the current financial year even as it invested ₹97.73 Cr. in brownfield/ expansion projects. The Company will continue to prioritise the efficient use of working capital following the expansion.

Working capital intensity

Year	FY 21	FY 22	FY 23
Working capital as % of total capital employed	18.88	28.89	6.65

Cash and cash equivalents

Year	FY 21	FY 22	FY 23
Cash and cash equivalents (₹ Cr.)	9.83	31.35	17.69

Capital efficiency

There was a decline in capital efficiency during the year under review on account of higher fixed costs due to lower capacity utilisation. EBITDA margin declined by 69 bps to 15.19% and this decline could have been sharper but for an appreciable increase in unit volumes, operating economies, disciplined working capital management and a larger proportion of value-added products. Return on Capital Employed declined by 2.62% to 14.64% ; RoE declined from 12.80% to 7.87% influenced by out flows related to the expansion that will translate into earnings only across the foreseeable future.

The Company protected the overall integrity of its Balance Sheet while reporting record financials. The average cost of gross debt was 8.1% while the Company generated an average 7.87% Return on Equity. The Company expects to generate a return superior to what risk partners (shareholders) would be able to generate if they invested in alternative asset classes. Following the

₹150 Cr. expansion, we are optimistic of improving capital efficiency by the virtue of equity-funded growth, timely projects commissioning and a larger proportion of revenues from value-added products.

Exports

The Company has been a consistent exporter of moulded products for 25 years. The Company services the growing demand of customers from across 40 countries. Nearly 77.03% of the Company's revenues were derived from international dispatches in FY 2022-23.

Exports

Year	FY 21	FY 22	FY 23
Total exports as a % of overall revenues	68.63	74.77	77.03

Debt management

The Company's total debt increased from ₹173.80 Cr. to ₹185.78 Cr.; net worth strengthened from ₹366.99 Cr. to ₹395.63 Cr.; gearing remained the same as the previous year at 0.47 in FY 2022-23 as the Company grew net worth and repaid long-term debt. The cost of debt on the Company's books was 8.1% during the year under review (8.0% in the previous year), which we consider reasonable. The cost of short-term loans available to the Company increased during the year under review on account of an increase in interest rates the world over (even as the Company mobilised this at rates equivalent to the increase in repo rates or lower). By the virtue of investing in products with traction that generate an attractive return, the Company is confident of complete term loan repayment in three years.

Debt status

Year	FY 21	FY 22	FY 23
Debt repaid (₹ Cr.)	16.68	38.87	38.17
Total debt (₹ Cr.)	199.56	173.80	185.78
Average debt cost %	9.5	8.0	8.1
Debt-equity ratio	1.1	0.47	0.47
Net debt-EBIDTA ratio	3.2	1.59	1.84

Accruals management

Capital allocation discipline is fundamental to the Company's success. The Company generated ₹63.17 Cr. (PAT and depreciation included) in cash profit during the year under review.

Way forward

The Company enjoyed a strong financial position at the end of the fiscal year under review. The Company's net worth stood at ₹395.63 Cr. as on 31st March, 2023, with ₹102.75 Cr. in long-term debt and ₹83.03 Cr. in short-term debt. The Company's large net worth was the outcome of a long-term build-up of surpluses. In an unpredictable world, this significant net worth bias implies relative de-risking; it provides the Company patient and resilient capital in challenging periods.

The Company is optimistic of prospects as product development on the automotive side of the business is expected to translate into higher revenue, the challenges related to the manufacture of carbon steel have declined and the purchase volume decline from the largest customers could reverse.

The Company is attractively placed to work deeper with different customers in the area of medical devices. This IP-led approach is expected to strengthen the quality of business as drug administration warrants a stable, robust and patient-centric drug device combination product to enhance therapy adherence, efficacy and safety of the therapy. This is expected to enhance the brand of the Company as a research-led solutions provider.

The Company is optimistic of medical device prospects as this segment is economy-agnostic; there is a growing need for effective therapies and blockbuster drugs. The world is also seeking supply chain alternatives away from China; the Indian government is incentivising domestic manufacture. The Company is attractively positioned to capitalise on account of its sustained focus on high precision engineering, strengthening its industry moat.

Sanjay Shah,
Chief Strategy Officer

Big picture

Moulded plastic: Increasingly preferred in sophisticated engineering applications

Cost-effective
Plastic is less expensive than other materials due to higher accessibility, which is important when manufacturing for mass-market applications.

Durability
Plastic polymers are durable, can bend without breaking and are high in fatigue resistance; they can be moulded into any design, shape or texture depending on specifications.

Overview
Plastic is a cost-effective manufacturing material, generating a large transformation in manufacture across industries with a validated superiority in attributes and flexibility.

Accessibility
Plastic (virgin or recycled) can be easily manufactured, making it a more accessible raw material source over metal.

Safety
Plastic is resistant to moisture, heat and light without toxic gas discharge; a high chemical resistance and counter-corrosion enhance its preference over metals.

Lightweight
Plastic has the same strength as metal but is lighter, making it easier to handle and transport.

Longevity
Plastic parts can offer up to six times the life expectancy of metal, moderating corresponding maintenance costs.

Big picture

India: An increasingly attractive global growth story

Overview

India is emerging among the most attractive long-term country growth stories.

India's personality is transforming socially, aspirationally and economically. This is translating into an unprecedented demand for convenience-enhancing and lifestyle-enriching products. There is a broader consensus that as India's economic out-performance sustains across the decade, the country is likely to enter a golden age in its consumption-driven growth story.

This growth is being derived from a combination of factors converging around the same time: long-term economic growth policies, unprecedented investment going into renewable energy and fuel mix transformation, production-linked incentives for a range of manufacturing-driven sectors, sweeping digitalisation that is accelerating money velocity and the announcement of an unprecedented investment in the country's infrastructure.

On the consumer side, there is a visible churn in how the Indian consumer has begun to purchase. During the last few years, there has been a decline in price-sensitivity; post-pandemic arbitrations are more centred around 'buy now, live better' and a proliferation in consumer financing has not only made purchase simpler but also inspired a graduation from 'cheapest product best' to 'informed purchase'.

What makes the Indian scenario attractive is that in India every doubling of per capita income generates a 1000% in discretionary expenditure (beyond basic necessities) with only a 25% increase in basic spending and a 400% increase in savings.

While much of urban India is sustaining the consumption of a range of consumer products, the game-changer is that nearly two-thirds of the Indian population (rural and semi-urban) is coming of age as a potent spender. What makes the second reality a subject of global relevance is that India accounts for the largest rural population cluster in the world; if rural India were a country by itself, it would have been the second largest standalone global population cluster (after China) and 185% of the third largest in the world (USA, 331.9 mn).

At Shaily Engineering, we are the right company at the right place at the right time to capitalise on this unprecedented India opportunity. The Company is focused on the growth coming of the Health care, Personal care, Consumer products and Lighting-appliances-automotive spaces. The complement of these lifestyle-driven products is expected to encounter growing offtake, empowering the Company to capitalise on a transforming economy.

In recent years, Western countries have shown an increasing interest in relocating their manufacturing operations away from China. This re-balancing is driven by an ongoing trade, disruption between United States and China, coupled with rising labour costs in China. India is emerging as a promising alternative, providing a complement of acceptable global quality, affordable manufacturing costs and cultural transparency.

India a suitable global manufacturing destination

Large workforce
India has the second largest workforce in the world.

Cost effective labour
India is 55th among 60 countries in terms of labour costs compared to China at 39.

Manufacturing strength
With the fifth largest GDP globally, India contributed 17% of its GDP through manufacturing in 2022

Favourable policies
Government policies such as GST, policy-linked incentive (PLI), Gati Shakti and tax concessions, among others, have enhanced business ease.

Attractive consumer base
India overtook China as the most populous country, providing a large consumption market.

Rising per capita income
India's per capita national income (at current prices) for FY 2022-23 was ₹172,000, an almost 100% increase over FY 2014-15.

Outlook

By 2030, India could export goods worth US$1 trillion by the virtue of becoming a prominent global manufacturing hub. The manufacturing sector, contributing to 17% of the nation's GDP and employing over 27.3 million workers, holds a vital position in the Indian economy. To boost this segment, the Indian government initiated various policies and account for 25% of the economy across the foreseeable future.

(Source: CEOworld, tradingeconomics, Times of India, Economic Times, India Briefing)

Business driver

Deepening our customer-facing governance

Overview

In an increasingly sensitised world, there is a premium on governance.

This is even more pronounced in our business where the products that we manufacture are technologically complex, warrant the protection of design-based intellectual property of our customers, require integration in their launch or sales plans and necessitate an assurance that our products are safe for their consumers.

The result is a customer-facing governance commitment that enhances stakeholder trust and assures customers that Shaily Engineering in India is an extension of the customer's enterprise (global or Indian).

Governance approach

Over the years, the Company has created an entire body of priorities that has deepened reliability and translated into multi-year relationships. These priorities have been progressively invested in, creating a robust framework in terms of understanding customer needs, preparedness, planning and growth.

The elements of the Company's governance framework comprise the capacity to be positioned as an extension of the customer, become resourceful for a segment of the customer's business, collaborate with the customer in the area of new product development, empower the customer to win in competitive markets, ensure that a large part (if not complete) backflow of orders comes to the Company, price responsibly in enhancing mutual benefits – and in doing so, build a virtuous cycle of growth and profitability for both.

Governance elements

Across the last decade, the Company has deepened customer value through the following initiatives

Holistic value: Large marquee companies have long extended beyond price as the sole consideration in engaging with vendors. The Company provides a holistic value to its customers that extends the Company's customer engagement from the narrow perspective of price-based bidding. This holistic appraisal mix represents the coming together of a range of competencies that translate into a compelling value proposition.

Long-term: In the modern world, there is a greater premium for vendors who can plan, position and prepare for the long-term, matching their desired time horizon. At Shaily Engineering, we have deepened our commitment to the long-term through a range of initiatives – recruitment, futuristic technology investments, commitment to long-term investments with a staggered, but outsized, payback and team training – that have matched the seriousness warranted by the sector.

Delivery consistency: In a world rapidly recognising around new supply chains, there is a premium on the capacity to extend beyond China and seek alternative products or component suppliers. Shaily Engineering is attractively placed to capitalise on this transforming landscape by the virtue of having been a global supplier of products for 27 years, generating 77.03 % of its revenues from global revenues in FY 2022-23 and servicing the needs of customers across 40 countries.

Growth ready: In a modern world marked by sudden changes – for worse or better – there is a premium on the need to be perpetually prepared. At Shaily Engineering, we have made forward-looking investments where the returns have scaled only a few years following investment. This gestation has moderated capital efficiency initially but more than recouped the under-performance across the years.

Investment commitment: In the modern world, where investment lags inevitably create market opportunities when demand revives, there is a premium on the capacity to invest across market cycles. At Shaily Engineering, success is derived from the ability to invest every single year in broad-basing the Company's critical mass. The Company invested ₹424.45 Cr. in the five years ending FY 2022-23; it invested ₹97.73 Cr. in FY 2022-23; 77% of the Company's gross block was derived from investments made in the last five years.

Infrastructure: In a rapidly competitive and globalised world, the building block of all growth aspiration cum ambition is a world-class manufacturing facility. At Shaily Engineering, we have invested in a state-of-the-art 17-acre manufacturing facility in Vadodara that has been benchmarked with the best standards of similar plants in the developed world.

Processes: In a world where vendors and customers may be continents away, assurance is derived from word-class processes and certifications. This assures that processes are not only benchmarked as per the best standards of the world, but they are also perpetually evolved and customised as per specific needs. This ensures batch-wise production consistency, high resource procurement standard, consistent plant operations and a high operating hygiene (critical in a multi-polymer business addressed quality-sensitive downstream sectors). At Shaily Engineering, our operations have been certified for ISO 9001:2015, IATF 16949:2016, ISO 13485:2016, ISO 15378 2015 and MDSAP.

Equipment: In a modern world, there is a growing consensus that the most consistent output is generated from the best equipment quality, sources from some of the most reputable international vendors. At Shaily Engineering, we have invested in high precision all-electric injection moulding machines, 5 Axis CNC milling machines, CNC EDM machines, Zeiss metrotom CT scanner for critical metrology and contact and contactless CMM (coordinate measuring machine) and VMM (virtual machine manager). These equipment facilitate manufacturing excellence marked by enhanced efficiency, superior material yield, high uptime and room to enhance features with every upgradation.

Capacities: In the modern world, customer relationships are sustained by the ability to provide products and services just when and where customers need them. At Shaily Engineering, we have invested in our manufacturing capacities on the basis of growing customer needs, ensuring that we have a steady order inflow and can recover the cost of the capital investment on the basis of a multi-year customer relationship. As a matter of prudence, the Company embarks on proactive capacity utilisation when its manufacturing capacity has reached close to full utilisation, a reasonable buffer assuming a delivery tenure and increase in capacity towards rated utilisation. This commitment to be perpetually ahead of the demand curve has helped protect the Company's customer relationships.

Sophistication: In the modern world, there is room for all kinds of players; however, customer retention and superior profitability are derived by engaging with demanding customers needing technologically complex products marked by stringent security and quality standards. At Shaily Engineering, we have entered business spaces marked by complex technology standards. This space has been marked by relatively low competition, value-added pricing, vendor engagement based on capacity over price and multi-year engagement. The Company's focus is to enhance its exposure in these spaces, strengthening margins and business sustainability.

Expertise: In the modern world, there is a premium on responsiveness to sudden customer needs, controlling production processes, making product modifications with speed and enhancing traceability. At Shaily Engineering, our team of experts possess in-depth technical knowledge and rich experience that make it possible for the Company to engage in product co-development with customers from scratch and own the complete product development life cycle responsibility. This capability also serves as a backward integration, widening the value chain, deepening complete production control and enhancing production consistency across different batches.

Specialisation: In the modern world, business is trending toward specialists comprising companies that can take the business of their customers ahead through enhanced competitiveness (as opposed to making sales). At Shaily Engineering, we have focused on select verticals - Health care, Personal care, Consumer products and Lighting-appliances-automotive spaces – deepening our competence, respect and recall as a focused specialist.

Business driver

Our quality excellence

Shaily's Quality Policy

"Shaily is committed to manufacturing products adhering to the highest standards of quality and applicable regulatory compliances in an efficient and productive manufacturing environment, that promotes continuous improvement and enhances the effectiveness of our quality management system in an endeavour to provide competitive plastics solutions."

Mahendra (Mike) Sanghvi, Chairman

Overview

At Shaily, the singular intangible asset that we have created across the last number of years is the recall that 'If it is Shaily, then it must be world-class.' This recall has been derived from a consistent investment in operating discipline designed to enhance the customer's confidence that the standards employed were but an extension of their own.

In the business of manufacturing moulded products, there has been a general progression towards the highest quality standards – in terms of product functionality, environment responsibility and durability. In view of this, Shaily is committed to the highest global quality standards, reinforcing stakeholder confidence and customer's assurance that Shaily is really an extension of their enterprise.

This quality commitment – across products, batches and time – is delivered through an overarching Quality Management System that enunciates the Company's approach to processes and practices leading to benchmarked quality.

The QMS comprises a risk-based strategy for procedures, blending proven traditional methods and state-of-the-art technologies. This approach has resulted in a compliance with the highest quality cum efficiency standards, evolving one-off transactions to multi-year partnerships, prompting the recall that 'If it is Shaily, then it can be completely trusted.' Shaily's quality team consisted of 146 members as on 31st March, 2023.

Quality measures

Over the years, Shaily deepened the role of quality in its work culture across every functional level. The Company documented detailed standard operating procedures (SOPs) for each process that was then benchmarked against international standards (updated periodically). The result is that the Company retained its contemporariness in a rapidly transforming market, deepening its recall as a market-facing organisation committed to taking the interests of customers ahead.

At Shaily, this ongoing relevance has been deepened through an ongoing training discipline that has translated into a high internal quality benchmark across products on the one hand and a consistency in delivery on the other. This culture has been complemented by a range of certifications, ensuring a predictability in the Company's process and delivery outcomes across batches, resources and time. The Company's commitment to periodic quality checks at various points of the product lifecycle has ensured a deep understanding in enhancing efficiency and effectiveness across specific points, strengthening the overall process chain.

Quality certifications

At Shaily, a complement of demanding certifications represents the backbone of its compliance culture leading to enhance customer confidence.

IATF 16949: 2016: The international standard for automotive quality management system based on ISO 9001 and customer-specific requirements.

ISO 9001: 2015: The international standard for creating a quality management system for products and services.

ISO 13485: 2016: The international standard for quality management system for medical devices.

ISO 15378: 2017: The international standard for quality management system for primary materials used for packing medicinal products.

Medical device single audit programme: Used to audit medical device manufacturers for compliance with the standard and regulatory requirements of up to five different medical device markets (Australia, Brazil, Canada, Japan and the United States).

FDA 21 CFR 820 quality system regulation cGMP: Part of the current good manufacturing practice (cGMP) regulations that ensures that all medical devices created and developed in USA follow safe and satisfactory quality processes at all developmental stages.

MDD 93/42 EEC Medical Device Directive: Concerns medical devices intended to harmonise laws relating to medical devices within the European Union.

VDA 6.3 qualified: Process audit used to identify, assess and manage risk across the product life cycle. The Company achieved 98% of compliance and was awarded 'A' certification.

Shaily's quality leading to enduring relationships

Garrett	SCHAEFFLER	GE Appliances	Hindustan Unilever Limited
Relationship with Shaily: +10 years **Customer complaint history:** Zero customer complaints over the last five years **External parts per million:** Manufacturing product with zero PPM since the beginning of engagement **Cost of poor quality:** Product running with zero COPQ since engagement commencement **Number of parts dispatched in three years ending FY 2022-23:** 1,333,937	**Relationship with Shaily:** 9 years **Certification:** Maruti Suzuki India Limited VSA (vendor's system audit)-qualified **Cost of poor quality:** Product running with zero COPQ since the beginning of the engagement **Number of parts dispatched in three years ending FY 2022-23:** 1,676,975	**Relationship with Shaily:** 25 years **External PPM:** Manufacturing product with zero PPM since the beginning of the engagement **Cost of poor quality:** Product running with zero COPQ since the beginning of engagement **Number of parts dispatched in the three years ending FY 2022-23:** 9,983,189	**Relationship with Shaily:** 20 years **External PPM:** Manufacturing products with zero PPM since the beginning of the engagement **Cost of poor quality:** Product running with zero COPQ since the beginning of the engagement **Number of parts dispatched in the three years ending FY 2022-23:** 17,137,484

Business driver

How we nurture and grow talent at Shaily

Overview

At Shaily, we believe that talent management holds the key to our business sustainability. The deeper and more complementary our individual capabilities the more competitive we are likely to be as an organisation. We also believe that talent management is a moving goalpost, warranting a continuous sensitisation with evolving standards.

At Shaily, our talent management has extended across the lifecycle of the employee's tenure, as opposed to only timely recruitment and learn-on-the-job. Shaily's robust talent platform encompasses inclusion, diversity, gender equality, workplace safety, career advancement, skill enhancement and protection of employee interests.

Our employee commitment is evident in timely recruitment, ongoing training, well-being initiatives, competitive compensation, reward and recognition and performance management.

The results have been varied and enduring: at Shaily, our per person productivity is one of the highest in the sector, retention one of the highest and employee trade unions absent.

Employee measures

At Shaily, we have reinforced our employee engagement through various initiatives:

- We conduct training programmes on various soft and hard skills identified by our department heads.
- We organise motivation and awareness programmes on subjects like women re-empowerment and mental health, among others.
- We distribute gifts among employees on select occasions, enhancing a sense of care and well-being

- We prepare employees for enhanced responsibilities by developing critical leadership and management skills.
- We have created various committees - grievance committee, works(social performance team) committee, canteen committee etc. to protect employee welfare
- We have a policy of promoting deserving workers into full-time employees.

Outlook

Shaily will provide personal and professional growth opportunities for employees, the basis of organisational out-performance.

Big numbers

22.90
%, attrition rate; lower than the industry average.

83
%, employees satisfied working with Shaily in 2023 (82% in 2022)

Case study

How a change in the senior management transformed our culture

In 2019, our senior management was unable to deliver targeted outcomes. As a performance-driven organisation, the next line of managers were promoted to assume control.

The newly appointed managers reinvigorated the organisation through differentiated approach and timely decision making; this resulted in a competent management of workers' demands to mutual acceptance.

The workers insisted on the involvement of a trade union during negotiations; the new senior management reached their representatives directly instead, enhancing trust, transparency and assurance that they are integral to the Company. The subsequent creation of a workers' committee to represent their interests helped inculcate a sense of collective ownership and responsibility; the new management agreed to review workers' demands every three years compared to the legacy annual review.

Employee cost

Year	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Employee cost (₹ in Cr)	38.01	42.19	64.90	62.83

Employees

Year	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Employees	1,601	2,266	2,739	2,064

Retention(%)

Year	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Employees (on roll)	77.19%	76.40%	73.85%	74.53%

Training hours

Year	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Aggregate person-training hours	3.91	4.26	4.38	4.14

Average age

Year	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Average age (years)	37	33	33	33

Women employees as % of total employees

Year	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Woman employees as a % of total employees (on roll)	5.02%	16.72%	14.83%	10.88%

Employee productivity

Year	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Revenue per employee (₹ in Cr.)	0.21	0.16	0.21	0.29

People cost

Year	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
People cost as a % of revenues	11.31	11.70	11.47	10.48

Business driver

Shaily's marketing excellence

Overview

At Shaily, customer-centricity represents the core of its business strategy, validating its presence across product segments. This approach not only enhances the customer experience but also moderates its dependence on any single product category. By offering a comprehensive portfolio, the Company serves wide customer preferences and industry demand, complementing resilience with growth.

The Company continues to be driven by the need to establish a brand synonymous with precision, operational efficiency, quality, timely delivery and environment responsibility, deepening stakeholder trust and market leadership.

Marketing initiatives

- The Company deepened relationships with existing customers through a higher wallet share
- The Company participated in CPhI in Europe (Convention on Pharmaceutical Ingredients Worldwide) and PharmaPack EU; it visited CPhI India to promote Shaily's capabilities.
- The Company utilised online platforms to promote awareness on corporate developments.

Challenges and counter-initiatives

There was a premium on the need to identify new customers / channels to market its Shaily healthcare product pipeline.

The Company reached out to potential customers and stakeholders to promote new platforms around the healthcare platform.

There is a challenge related to creating a balance that addressed the overlapping needs of key account management and new customer acquisition.

The Company trained separate teams to address business development and customer servicing needs, which ensured client service cum customer acquisition. .

Outlook

The Company intends to enhance engagement with internal stakeholders to facilitate feedback, shrink turnaround time and address project urgencies with the objective to emerge as a prominent supplier to marquee global brands.

Research and development

Shaily's innovation excellence

Overview

An efficient research and development eco-system empowers Shaily to create unique products and enhance productivity leading to rising margins and protected market leadership.

Shaily (through its subsidiary Shaily UK) catalyses research and development, empowering the Company to periodically introduce new products addressing the international markets. In the recent past, the Company has been granted patents for five drug delivery technologies including an On-body wearable high volume injector that has uses in oncology.

Product development stages

Understanding user needs, design inputs and project planning

- Customer inputs/market driven approach
- Competitor landscape
- IP landscaping
- Feasibility review
- Design and development planning

Design and development

- Concepts and industrial design
- Mechanical and electronics engineering
- Prototyping and testing

Detailed engineering

- Tolerance analysis of component interaction and impact on functionality
- Design for manufacturing
- Design of assembly
- Mould design and manufacturing

Product verification validation

- Installation qualification, operational qualification and performance qualification
- Defining protocols
- Testing and verification
- Validation and shipment

Highlights, FY 2022-23

- The Company expanded its healthcare facility and equipped it with the latest Japanese all-electric moulding machines and fully automated high-speed assembly lines.
- The Company developed an auto-injector and an automatic pen injector.

Outlook

The Company plans to accelerate products development to address the growing needs of the healthcare sector.

Case study

Newly designed auto injector

Challenge

The Company was required to design an auto injector for a global generic pharma companies that did not infringe the existing patent whilst maintaining the same user interface and functionality.

Activity

- The product was conceived based on a reference product extensively studied by Shaily's design team
- After the user need and design inputs containing the specification of the product were defined, Shaily UK developed a proprietary dosing mechanism that performed the same function without infringing any IP. This design granted patents in several geographies.
- Detailed engineering was carried out with several rounds of prototyping and testing that resulted in the development of a robust and high-quality device that can be mass manufactured
- Subsequent manufacturing activities were undertaken using high precision equipment to maintain tight tolerances and precise components

Outcome

- The project is currently in the last stage of design verification, following which shipments will start to various customers.

Business driver

Shaily has transformed its IT function for enhanced effectiveness

Overview

At Shaily, digitalisation is a growth driver leading to streamlined processes, operational efficiency and responsiveness to unexpected changes.

In the last few years, Shaily has leveraged the power of digital technology to transform operations and customer engagement. Shaily's digital tools have helped transform time-consuming and resource-intensive processes, expediting business management, production and service delivery.

Initiatives

• The Company invested in a manufacturing ERP software with real-time monitoring, enhancing productivity.

• The Company invested in the real-time monitoring of its injection machines to plug gaps and enhance efficiency.

• The Company's predictive maintenance helped enhance equipment uptime.

• The Company invested in the complete automation of its pen device assembly engine to improve product output, reduce process variations and enhance product quality.

Outlook

The Company will invest in advanced digital tools complemented by training to enhance productivity, competitiveness, service and advancement.

Corporate social responsibility

How Shaily empowers communities

Overview

Shaily acknowledges the significance of expanding its influence beyond its organisation through a positive impact among marginalised communities through health, education and socio-economic interventions. Spearheaded by the CSR Committee committee, the Company actively drives these initiatives, fulfilling social responsibilities.

CSR focus areas

- Education
- Health
- Women's welfare

Key initiatives

Sanitation: Shaily invested in the procurement of a sanitary pad manufacturing, vending machine and disposal machine for Municipal School Board, Vadodara.

Education: Shaily organised the Indian Young Investors of Innovators Challenge for Sigma Group of Institutes. The Company organised an industrial visit for the students of Shanen Vidhyalay, J. C. Institutes and G.R. Bhagat High School (Bhadarva).

Women welfare: Shaily contributed and participated in CSR activity for women empowerment project for widow and needy woman to promote financial independence.

Education and employment: Shaily collaborated with an NGO called Vijayjyot Trust to promote literacy in rural and tribal areas.

Outlook

Shaily will endeavour to create a beneficial impact on disadvantaged communities through sustained support for health, education and socio-economic causes.

0.27

₹ Cr, CSR spend in FY 2022-23

How Shaily has deepened its EHS commitment

Overview

At Shaily, a commitment to environment, health and safety standards assures that its operations, processes and products prioritise the interests of employees, society and other stakeholders.

In the modern world, any EHS under-delivery could invite censure, legal action, compensation claims, higher insurance premia, low productivity or profitability as well as reputational damage. The result is that responsible EHS compliance is not optional or peripheral; it is integral to organisational success and sustainability. A responsible EHS approach reinforces our performance in various ways.

The Company has been an early mover in this regard; it commenced its EHS compliance in 2006, well before the subject had acquired the importance that it has done today. The result is that EHS now accounts for the Company's DNA, enhancing stakeholder confidence.

The benefits of our EHS commitment

Environment: Enhances the Company's respect among investors, vendors, customers and communities	**Health:** Improves employee retention and attendance	**Safety:** Improves employee safety, enhancing confidence and productivity while moderating workplace injuries or claims

Our key EHS policies

At Shaily, our business is driven by an institutionalised approach to environment responsibility.

Sustainability Policy: This comprehensive policy guides all operations and decision-making, directed at enhancing long-term stakeholder value while minimising environment impact.

Environmental Policy: An Environment Management System (EMS) prevents, mitigates and controls environment damage caused by its operations or players across its value chain. The EMS comprises contingency plans and processes for managing environment deviations.

Industrial Policy: We ensure that our manufacturing processes and technologies are resource-efficient and sustainable. This includes designing products that are sustainable and reduce waste generated during manufacture.

Technology Development Policy: We review new technology development, deployment and commercialisation. Social, ethical and environmental considerations are incorporated into decision-making.

#1 Our environment commitment

At Shaily, we recognise that we are engaged in a business sensitive to EHS considerations. The engineered plastic industry's operations have impacts on the environment. The engineered plastic industry is carbon-, water- and energy-intensive; these can, if unchecked, generate pollution load, necessitating the integration of stringent HSE principles.

At Shaily, we believe that responsible environmental management is not a defensive response; it can be business-strengthening as well.

One, it can reduce the Company's costs by minimising waste generation and optimising resource use (water and energy).

Two, environment management can enhance corporate reputation and improve engagements with stakeholders (customers, investors and regulatory agencies).

Three, it can ensure long-term sustainability by reducing negative environment outcomes, strengthening business continuity.

Our environment management approach

At Shaily, our environment management approach has comprised the 5R's approach (reduce, restore, recycle, renewable and replace), reflected in the following initiatives:

- We strictly adhere to all regulatory norms related to power, water and waste.
- We practice zero groundwater discharge, making us water positive.
- We use post-consumer recycled material for manufacturing; 35% raw material used was derived from recycled polymer.
- We purchase renewable energy; 60% of the power used in our operations was derived from renewable energy.
- We employ Lean Sigma, which forms a key part of our sustainability goal to reduce waste and improve performance.

#2 Our health commitment

Certain activities within our workplace can compromise the health of our employees, marked by an exposure to heat, noise, dust, hazardous chemicals, machines and psychological stress. To protect our workers, we provide personal protective equipment as well as health and safety awareness training, monitor workplace hazards through internal audits on a regular basis. and take control measures.

We set long-term goals to reduce healthcare overhead per employee. We evaluate the effectiveness of our health initiatives and analyse trends to gauge improvement areas. Our health indicators comprise the following: low absenteeism, high productivity, higher employee retention, low personal loans / salary advances for medical reasons(the client to check) and preventive care.

Our health management approach

- We conduct annual medical check up programmes
- We possess an occupational health centre to address employee/worker health concerns
- We are engaged with nearby hospitals for the medical treatment of our employees and workers
- We have an employee insurance policy that covers all health risks as per the employee applicability.
- We promote health and well-being of our employees through awareness programmes.

#3 Our safety commitment

At Shaily, we manage hazardous processes, products and heat, representing safety risks for our workers. We take safety management seriously; the identification of potential hazards and risk mitigation is crucial to our respect and continuity.

At our Company, we have implemented responsible hazards identification, evaluation and control. All equipment is periodically inspected to reduce failure risk. We provide hands-on training to ensure that our personnel understand and apply safety procedures. We encourage an open reporting culture where our personnel feel comfortable reporting hazards or incidents without a fear of retribution; we ensure that our personnel remain vigilant and aware of potential hazards. We ensure that our leaders set an example by following safety procedures, reporting hazards and incidents. As a result of these initiatives, we have witnessed a positive trend reported towards accidents and accident-free hours.

Our safety management approach

The effectiveness of our safety measures is validated by the fact that since 2020, there has not been any major incident in any of our facilities.

- We monitored our operations closely to identify potential safety risks
- We possessed an emergency response team consisting of fire fighters and first aiders
- We implemented SOPs across our plants to prevent accidents. We have safety measures like emergency exits, emergency pathways, assembly points etc. in all our plants and office
- We conducted employee awareness programs to educate them on potential workplace hazards and their effective management.
- We encouraged employees to report potential safety hazards; we implement corrective actions promptly.
- We implemented a work permit system to ensure that all jobs are done under safe conditions.
- We mandated the use of safety gear among employees in hazardous plant areas

Our EHS certification

- SA 8000
- SMETA / URSA
- RBA
- IWAY
- ISO 14001:2015

At Shaily, we are committed to enhancing stakeholder value

Our report on how we have institutionalised our value-creation process

The scorecard

Employee value

62.83

₹ Cr., salaries, FY 2022-23 (₹ 64.9 Cr., FY 2021-22)

Customer value

599.71

₹ Cr., revenues, FY 2022-23 (₹565.85 cr, FY 2021-22)

Vendor value

465.89

₹ Cr., Purchases, FY 2022-23 (₹441.63 Cr., FY 2021-22)

Shareholder value

942.81

₹ Cr., market valuation, 31st March, 2023 (₹ 1,995.37 Cr., 31st March, 2022)

Community value

0.27

₹ Cr., spending, FY 2022-23 (₹0.23 Cr., FY 2021-22)

Governance

How we manage risk at our Company

Overview

At Shaily, risk management is a continuous process. The objective of this process is to proactively recognise potential risks, evaluate their potential effects on the business and implement corrective actions. The ability to spot, evaluate and mitigate risks that jeopardise objectives represents an essential aspect of the Company's governance.

Risk management and controls are complemented by the Company's business strategy. It addresses risk categories, encompassing non-financial risks tied to operations, partnerships, products and services.

Shaily's risk management is designed to minimise the prospect of not being able to meet business goals. The Company's risk management structure identifies significant risks, facilitating a thorough evaluation of the current level of risk mitigation and determining the necessary management steps to moderate or eliminate them.

Key elements of Shaily's risk management process

- Risk assessment
- Risk management
- Risk monitoring.

Risk management committee

Shaily has a Risk Management Committee comprising four members. The committee conducts comprehensive reviews of the risk management operations, ensuring their alignment with the dynamic economic landscape. This proactive approach enables the necessary adjustments to be made to existing functions, ensuring their adaptability in the face of evolving circumstances.

To strengthen the risk management framework, an internal sub-committee has been established by the management, consisting of representatives from various departments such as Finance, Secretarial, HR, Compliance, Manufacturing and Quality, among others.

This sub-committee, supported by a diverse range of professionals, identifies diverse risks associated with the business and formulates comprehensive risk mitigation strategies that further strengthens the Company's ability to navigate uncertainties and challenges effectively.

Our principal risks and mitigation measures

1 Business operations risk broadly concerns the Company's management which include planning, monitoring and reporting systems in daily business operations.

The Company operates within an outlined organisational framework. A structured information flow prevents conflicts or communication lapses across departments. To ensure operational continuity, secondary positions are established within each department, allowing a seamless workflow even in the absence of functional heads. Strategic measures are undertaken to curtail production costs.

2 Liquidity risk is defined by potential difficulty in maintaining sufficient liquid assets to fulfill both financial obligations and operational demands owing to poor financial management.

The Company possesses rigorous financial planning procedures, including the preparation of annual and quarterly budgets, coupled with meticulous variance analyses to enhance precision in financial forecasting. The Company diligently crafts daily and monthly cash flow reports, ensuring a real-time understanding of its liquidity position.

To optimise cash management, the Company leverages specialised banking services, strategically minimising the risk of interest loss on collections. Additionally, in managing exposure to foreign exchange transactions, the Company prudently utilises Letters of Credit (LCs) and bank guarantees, complemented by a well-defined hedging policy. This holistic strategy ensures the Company's financial stability and resilience.

3 Credit risk involves the failure to settle dues by clients and the inability to service debt

The Company established systems to assess the creditworthiness of customers, incorporate provisions for bad and doubtful debts in its budgeting to accurately reflect its position and employs effective recovery management and follow-up procedures.

4 Logistic risks involves disruptions within the supply chain and distribution network of a business which can lead to disruptions in production schedules, increased costs, customer dissatisfaction due to delayed deliveries and overall operational setbacks.

The Company sources dependable service providers to ensure smooth operations. The Company has a comprehensive transit risk insurance coverage for all incoming and outgoing goods.

5 Market risk involves demand and supply mismatch caused by a number of factors such as interruption in the supply of raw material

A comprehensive approach to raw material management is adopted by the Company. This involves procuring raw materials from diverse sources, ensuring competitive prices while also establishing alternative sources to guarantee a continuous supply. While the influence of external factors such as demand and supply is beyond the Company's control, strategic production and sales planning is derived from past experiences to mitigate potential impacts. The Company works to minimise the gap between demand and supply, striving for optimal operational harmony. To facilitate effective material management, robust inventory control systems have been implemented, enabling the Company to strike a balance between maintaining adequate stock levels and avoiding excess inventory.

6 Legal risk involves factors which expose the Company to legal action such as contractual liability, fraud, patent, design and copyright infringement risks

The Company enlists the expertise of professionals and advisors to diligently assess the risks inherent in contracts, define our responsibilities within the legal framework of the contract, limit our contractual liabilities and mitigate associated risks. This is done to meet both general and specific stipulations, thereby guaranteeing full adherence to contractual obligations and commitments. Insights and recommendations from professional agencies, industrial bodies and chambers of commerce are meticulously examined and incorporated whenever pertinent. Within the organisation, a compliance management system is firmly established, overseen by the Company Secretary, ensuring that functional heads submit quarterly compliance reports to the Board. This effort is complemented by periodic Secretarial Audit Reports prepared by practicing company secretaries.

Overview

The increasing importance of enhancing value for all stakeholders has led to a shift in how we measure success. While traditional metrics such as revenue and profit were once sufficient, we now recognise the significance of intangible factors that contribute to holistic value creation. Additionally, the definition of a stakeholder has evolved beyond just shareholders to include anyone impacted by a company's operations. This broader perspective has given rise to stakeholder value creation as a comprehensive way to evaluate modern organisational effectiveness.

The Integrated Value Creation Report considers various aspects, including financial data, management commentary, governance, remuneration and sustainability reporting. It aims to elaborate how value is enriched for diverse stakeholders, such as employees, customers, suppliers, business partners, local communities, legislators, regulators and policymakers.

This report's extensive input and outcomes provide valuable insights into why and how enterprises are striving for holistic sustainability, even across market cycles. Therefore, including the Integrated Value Creation Report in the annual report becomes crucial for effective communication of the organisation's commitment to holistic sustainability.

In the engineered plastics industry, the Company understands that competitiveness hinges on two key factors: producing quality products and enhancing production capacity. To achieve this goal, the Company has undertaken strategic initiatives. These include observing international compliance norms, obtaining global certifications that enhance competitiveness, pursuing economies of scale to boost efficiency and implementing measures to streamline operating costs.

Moreover, the Company recognised the importance of a diversified customer base to foster stability and resilience. The Company widened its product offerings to sheet steel and toys, enhanced its contribution in the healthcare segment to cater to wider requirements and focused on value-addition. These strategic endeavours reinforced industry leadership.

Our competitive advantages

Pedigree: The Company is one of the leading names in the engineered plastics sector with a 42-year legacy in producing quality products for global brands.

Prestigious clientele: The Company enjoys multi-decade relationships with some of the most prestigious global brands such as P&G, Garrett Motion, General Electric etc.

Quality commitment: The Company's commitment to quality is evident in its compliance with a number of domestic and international certifications, which makes it a preferred brand to work with. Some certifications comprise IATF 16949: 2016, ISO 9001: 2015 and MDSAP.

Value-addition: The Company harnesses its research and development team to provide customised solutions, fostering stronger customer-client connections.

Technology investment: The Company invested in cutting-edge manufacturing technologies to reduce operational expenses and maximise capacity utilisation.

Research and development: The Company comprises a robust research and development team that focuses on creating innovative products that enhance sustainability

Prudent capex approach: The Company will focus on optimising its capacity utilisation up to a minimum 75% capacity utilisation before additional capacity expansion. This will protect the integrity of the Balance Sheet while ensuring enhanced asset sweating

Who we create value for

Our employees represent the aggregate knowledge of how to grow the business across a range of functions (polymer procurement, manufacturing, business development, sales, quality, finance etc.). We provide an energised workplace, growing employment and enhanced talent productivity

Our shareholders provided capital when we went into business. Our focus is to generate re-investable free cash or commission projects around shortening paybacks, enhancing RoCE and, in doing so, increase the value of shareholder holdings

Our customers consistently buy our products, generating the financial resources to grow. Our focus is to sell to more customers and retaining them, enhancing our revenue visibility

Our communities provide us with social capital (education, culture, security, safety etc.) and, in turn, we support these communities through consistent engagement

Our governments (State and Centre) provide us with a stable structural framework that ensures law, order, policies etc. Our focus is to play the role of a responsible citizen

At Shaily, the prudent interplay of the value generated by each stakeholder ensures business sustainability and enhanced stakeholder value.

The resources of value creation

Natural capital
We derive all our resources – polymer, water, fossil fuels and the world's carbon sinks — from this capital. Our engagement is influenced by the degree of dependence on natural resources, environmental impact of the production process on the environment and what the organisation needs to do to operate within environment limits.

Social and relationship capital
This represents the relationships between our Company and stakeholders (community, governments, customers and supply chain partners). These could also comprise licenses or dependence on the supply chain.

Intellectual capital
This includes resources like patents, copyrights, intellectual property and organisational systems, procedures and protocols.

Human capital
This refers to organisational skills and know-how, marked by talent retention and training leading to out-performance.

Financial capital
This comprises funds obtained through lenders or earnings - the funds pool available to manufacture goods

Manufactured capital
This comprises physical infrastructure like buildings, equipment and tools that enhance organisational productivity.

Our value creation strategy

Strategic focus	Key enablers	Material issues addressed	Capitals impacted
Innovate and excel	Sustaining innovation Excellence, higher capacity utilisation, superior process yield and larger end product throughput	State-of-the-art technology leading to production efficiency and high quality	Manufactured, Intellectual, Financial
Cost leadership	Enhancing operational efficiency leading to cost leadership and higher margins across market cycles. The Company uses around ~60% of recycled polymer, helping reduce raw material cost. A cost leadership is the result of scale, resource proximity and virtually no long-term debt	Creating the basis of long-term viability through an any market competitiveness	Financial, Intellectual, Natural, Social and Relationship
Supplier of choice	Building adequate capacity, sustaining timely product delivery and superior product quality. Marked by the ability to service customers in India and across the world through a complete compliance with their quality needs	Enhancing revenue visibility through product criticality, enduring customer relationships and global preference alignment	Intellectual, Manufactured, Social and Relationship
Robust people practices	Managing more than 2,064 resources (full time and contractual) across the factory, corporate and research functions The Company's people engagement has been marked by delegation, accountability and empowerment The Company's invigorating workplace is marked by training, engagement, fair appraisal and attractive reward	Creating a People-driven company marked by professionalism, authority, responsibility and accountability	Intellectual, Human
Responsible corporate citizen	Focusing on responsible corporate citizenship The Company is engaged in community development activities around its manufacturing facility The Company spent ₹0.27 Cr. in CSR activities, FY 2022-23	Deepening community engagements through programmes that enhance community prosperity	Social and Relationship, Natural
Value-creation	Focusing on enhanced value for all stakeholders The Company manufactures products in a manner which is environmentally responsible. The Company strictly adheres to the prescribed safety norms during operations.	Addressing the value-enhancing needs of stakeholders	Intellectual, Manufactured, Social and Relationship

Outcomes

The Company is a prominent vendor to marquee national and international brands. The Company enjoys enduring customer relationships, reflecting its commitment to service excellence.

The Company possesses a robust Balance Sheet, marked by a high net worth of ₹ 395.63 Cr. in 31st March, 2023 and low long-term gearing of 0.3% as on 31st March, 2023.

The Company's prospects are founded on its product excellence (resulting in a robust order book) and existing margins (resulting in increased value), setting the stage for revenue, margin and surplus scalability. The Company remains dedicated to delivering responsible stakeholder value by aligning its plants, processes and practices with global, national and local health, safety and environmental benchmarks, ensuring responsible citizenship.

Shaily and shareholder value creation

Enhancing value

942.81
₹ Cr., market capitalisation, 31st March, 2023

1,995.37
₹ Cr., market capitalisation, 31st March, 2022

837.67
₹ Cr., market capitalisation, 31st March, 2021

Capital efficiency

1.57
Turnover: Capital employed ratio, FY 2022-23

2.06
Turnover: Capital employed ratio, FY 2021-22

2.11
Turnover: Capital employed ratio, FY 2020-21

Working capital cycle

5.21
Days, FY 2022-23

4.79
Days, FY 2021-22

4.32
Days, FY 2020-21

Net worth

395.63
₹ Cr., net worth, 31st March, 2023

366.99
₹ Cr., net worth, 31st March, 2022

181.87
₹ Cr., net worth, 31st March, 2021

Reducing Balance Sheet size

2.08
Average debt/ EBITDA, FY 2021-22

1.97
Average debt/ EBITDA, FY 2022-23

Debt-equity ratio

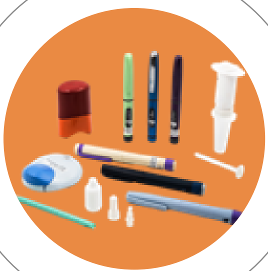
0.47
X, Gearing, FY 2022-23

0.47
X, Gearing, FY 2021-22

1.10
X, Gearing, FY 2020-21

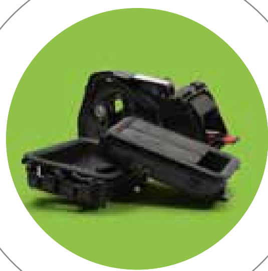
Shaily's broad-based business platform

Downstream sectors addressed



Healthcare

Consumer (toys and home furnishing)



Lighting, appliances and automotive

Personal care

Overview

At Shaily, we have diversified our customer mix with the objective to broad-base our risk and protect business continuity across market cycles.

Besides, the Company's capacity expansion cum diversification have helped reduce reliance on a single market or product, minimising risks associated with sectorial volatility. By venturing into new segments, Shaily is positioned to explore untapped markets, capitalise on emerging trends and increase revenue streams.

The de-risking safeguards against unforeseens, economic downturns and evolving consumer preferences. Depending excessively on a single market or product can make a business vulnerable, making it susceptible to unforeseen market shifts. In this respect, diversification helps hedge and spread risks across multiple sectors, enhancing stability.

#1 Our healthcare business

Business drivers

- Increasing R&D investment
- Rising in-patient admissions and grants
- Increasing number of surgical and diagnostic procedures
- Growing healthcare expenses

Overview

Healthcare is Shaily's second largest and the fastest growing business segment. The Company manufactures medical devices on contract manufacturing basis for global pharmaceutical companies and these are supplied across the world including developed markets. The Company has a portfolio of IP-owned medical devices (pen injectors, auto-injectors, wearable injectors and other speciality devices) developed and supplied by the Company to large global pharma companies.

The Company made substantial investments in cutting-edge infrastructure and advanced equipment to deliver superior service (product quality, timely delivery, superior price-value proposition, high standard of safety, quality and precision of products). The Company's state-of-the-art healthcare facility spans more than 127,000 square feet, marked by modern technologies. The facility is equipped with the latest Japanese all-electric moulding machines, Class 8 clean room, fully automated assembly lines and other secondary operations (printing, laser marking, ultrasonic welding). The segment comprises over 28 moulding machines (35 to 350 tons) coupled with specialised testing, quality control and metrology labs.

Drug delivery devices

Shaily Tristan auto-injector: Three step auto-injector with automatic needle insertion for delivery of Dulaglutide and Terzipetide.

Shaily Toby Auto-Injector: Two step auto-injector for delivery of Semaglutide

ShailyPen Neo: Automatic variable dose and fixed dose Pen-Injector developed for delivery of Semaglutide and Liraglutide

ShailyPen Protean: 0-60 IU insulin reusable/disposable, settable for alternate therapies – triple-dose, double-dose and single dose (GLP-1 (good lab practice), Liraglutide and Abaloparatide)

ShailyPen Axiom: HGH (human growth hormone), FSH (follicle stimulating hormone), PTH (parathyroid hormone) and GLP-1 therapies

ShailyPen Maxim: 0-80 IU insulin reusable/disposable, single dose and multidose alternate therapies

Overview

Shaily forayed into the devices segment in early 2000 and emerged as one of the few suppliers drug delivery devices. The Company created the world's first insulin pen made of 100% plastic. Shaily will continue to design, develop and manufacture quality cost-effective healthcare devices that enhance customer competitiveness.

Competitive strengths

- Comprehensive design review and engineering
- Developing proprietary IP
- Collaborative tool design and manufacturing
- Innovative assembly solutions
- Efficient supply chain

Highlights, FY 2022-23

- The Company added 12 drug delivery devices in commercial production.
- The Company sold around 11 million pens.
- The Company developed a new pen-injector and auto-injector for delivery of Semaglutide
- The Company accounted for ~80% of the global insulin market.

Our select clientele

- **Sanofi:** Established in 1973, Sanofi is a French multinational pharmaceutical and healthcare company head-quartered in Paris, France. It engages in the research and development, manufacturing and marketing of pharmacological products.
- **Zydus Wellness Limited:** Established in 1988, Zydus is a leading consumer wellness company with an Indian heritage and a global footprint.
- **Glenmark:** Established in 1977, Glenmark Pharmaceuticals Limited. is a global pharmaceutical company with a presence across branded, generics and OTC segments; it is focused on therapeutic areas of respiratory, dermatology and oncology.
- **Dr. Reddy's:** Established in 1984, Dr. Reddy's Laboratories Limited is an integrated pharmaceutical company that offers a portfolio of products and services, including APIs, custom pharmaceutical services, generics, biosimilars and differentiated formulations.
- **Lupin Limited:** Established in 1984, Lupin Limited is one of the largest generic pharmaceutical companies by revenue globally. The Company's key focus areas include paediatrics, cardiovascular, anti-infectives, diabetology, asthma and anti-tuberculosis
- **Wockhardt:** Established in 1967, Wockhardt is a global pharmaceutical and biotechnology company which produces formulations, biopharmaceuticals, nutrition products, vaccines and active pharmaceutical ingredients (APIs).

Outlook

The Company plans to manufacture around 15 million pens in FY 2023-24. It intends to invest ₹125 Cr. to expand healthcare segment capacity. It expects pens and intellectual property products to account for 90% of proposed healthcare revenues.

#2 Our consumer business

Business drivers

- Growing demand for carbon steel furniture
- Advanced infrastructure development
- Diversified outsourcing of production by global companies
- Rising demand for toys for learning purposes

Overview

Shaily's consumer segment comprises the toy and home furnishings segment. The Company provides complete solutions from conceptualisation to the finished product. It is global supplier for segments like kitchen, children, cooking cum eating, organising and storage.

Toys sub-segment

The Company ventured into the toys segment through Spin Master in FY 2019-20, one of the leading toy companies in the world. The Company expects the toy segment to widen, as major toy companies develop new products, enter into mergers and acquisitions and engage in partnerships with local players.

Shaily's competitive strengths

- Global clientele
- Robust supply chain network
- Adherence to global quality standards
- High volume production

Home furnishings sub-segment

By venturing into the carbon steel business and offering multi-material products (combination of plastic and steel), the Company strengthened relationships with a Swedish home furnishings major, a long-term partner, in addition to strengthening relationships with other customers. The Company manufactures carbon steel furniture, supplied to the large global home furnishings major.

Competitive strengths

- High consistency in production standards and global quality norms
- Complex plastic engineering capabilities with a deep understanding of raw materials
- Compliant with global standards on social and environmental norms
- On-time delivery by managing an efficient supply chain across the globe

Highlights, FY 2022-23

- We diversified into carbon steel manufacture.
- We enhanced our consumer business by adding new customers and segments.
- We deepened our relationship with a Swedish home furnishings major.
- We ventured into the carbon steel business for a Swedish home furnishings major.
- We widened our SKUs (48) for a Swedish home furnishings major.
- We received orders for six new products, possessing growth prospects.
- We finished the year with an order book of over ₹200 Cr.
- We set up a dedicated EOU comprising 46 machines to service the Swedish home furnishings major.

Outlook

- We expect to see sustained traction in the toys segment as global toy companies diversify their outsourcing to cover India, now being perceived as an alternative manufacturing hub.
- We expect to report full capacity utilisation for the carbon steel segment by FY25.

#3 Our lighting, appliances and automotive business

Business drivers

- Rising demand for metal to plastic conversion
- Adherence to global certification
- Demand growth for houses
- Higher standards of living

Overview

Shaily provides durable plastic solutions to global light manufacturers. The Company is a trusted partner for components and casings of electrical household appliances. It provides world-leading solutions that replace metal with high strength plastic, enhancing productivity and cost savings for automotive manufacturers.

Strengths

- Legacy provider of comprehensive moulding and assembly solutions
- Solutions-provider for replacing metal with high strength plastic
- Only licensed processor of Torlon in India
- Supplier of ultra-high-performance thermoplastic for critical automotive components.

Our select clientele

Haier: Established in 1984, Haier is a Chinese multinational which designs, develops, manufactures and sells including refrigerators, air conditioners, washing machines, dryers, microwave ovens, mobile phones, computers and televisions.

General Electric: Established in 1892, General Electric Company (GE) is an American multinational conglomerate that operates in aviation, power, renewable energy, digital industry, additive manufacturing and venture capital and finance.

Corvi: Established in 2014, Corvi manufactures lighting fixtures and products. such as technologies used for electronic studio flash lighting equipment.

Garrett Advancing Motion: Formerly Honeywell Transportation Systems and Honeywell Turbo Technologies, Garrett Advancing Motion has a nearly 70-year legacy, offering passenger vehicles, commercial vehicles, aftermarket replacement and performance enhancement solutions across the world.

Schaeffler: Established in 1946, Schaeffler manufactures rolling element bearings for automotive, aerospace and industrial uses.

Outlook

The Company will seek to work with customers who provide the prospect of multi-year engagement that translates into superior and sustainable revenues.

Case study

Metal to plastic conversion for Honeywell

Challenge: Honeywell needed to replace its three-piece metal connecting rod in the turbo charger with plastic to reduce costs without compromising productivity.

Activity: Shaily converted the three-piece metal connecting rod into a single piece high strength plastic.

Outcome: The end-product produced demonstrated the same life cycle as the metal connecting rod but with greater productivity and at a reduced cost, validating Shaily's superior engineering.

#4 Our personal care business

Business drivers

- Growing awareness around hygiene
- Population growth
- Increasing disposable income
- Penetration into newer markets

Overview

Shaily's commitment to technology empowers us to supply class-leading products with innovative decorative features, enhancing the competitiveness of our clients. Since the early 1990s, we have been serving global FMCG majors like Unilever and P&G.

Strengths

Ultra-sonic welding: This is applicable to various polymers and can be seamlessly integrated alongside injection moulding processes.

Vacuum metalising: This provides high quality metal finish to plastics through an automated metalising facility

High speed rotary pad printing: These machines are located in a temperature and humidity-controlled environment and provide a full-colour finish to a wide variety of polymers.

Painting: This provides specialised paint lines suitable for many types of polymers.

Screen printing: This enables semi-automated, high-quality, single or multi-color screen printing onto cylindrical or flat components.

Hot stamping and hot foiling: This provides special ink or foil finish in the hot stamping facility its operation includes robotic control to speed up the handling process.

Our select clientele

- **WestRock:** Established in 2015, WestRock is one of the world's largest paper and packaging companies with US$ 21.3 billion in annual revenue and more than 50,000 team members in more than 300 locations in 30 countries around the world.

- **Himalaya:** Established in 1930, Himalaya Wellness Company is an Indian multinational personal care and pharmaceutical company that produces ayurvedic health care products.

- **P&G:** Established in 1837, the Procter & Gamble Company (P&G) is an American multinational consumer goods which specialises in a wide range of personal care products including beauty, grooming; health care, fabric and home care.

- **Hindustan Unilever:** Established in 1931, Hindustan Unilever Limited (HUL) is a British-owned Indian consumer goods company which produces foods, beverages, cleaning agents, personal care products, water purifiers and other fast-moving consumer goods (FMCGs).

Outlook

The Company seeks to widen its clientele to engage with customers who can provide long-term engagement.

Our Board of Directors

Mr. Mahendra Sanghvi
Executive Chairman

Mr. Laxman Sanghvi
Executive Director

Ms. Tilottama Sanghvi
Whole Time Director

Mr. Amit Sanghvi
Managing Director

Mr. Milin Mehta
Independent Director

Mr. Ranjit Singh
Independent Director

Dr. Shailesh Ayyangar
Independent Director

Mr. Samaresh Parida
Independent Director

Mrs. Sangeeta Singh
Independent Director

Corporate Information

Board of Directors

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Executive Chairman

Mr. Amit Sanghvi
Managing Director

Mr. Laxman Sanghvi
Executive Director

Mrs. Tilottama Sanghvi
Whole Time Director

Mr. Milind Mehta
Independent Director

Mr. Samresh Parida
Independent Director

Dr. Shailesh Ayyangar
Independent Director

Ms. Sangeeta Singh
Independent Director

Mr. Ranjit Singh
Independent Director

Key Officials

Mr. Sanjay Shah
Chief Strategy Officer

Ms. Dimple Mehta
Company Secretary & Compliance Officer

Mr. Ashish Somani
Chief Financial Officer*
(Resigned w.e.f. 12th August 2023)

Auditors

Statutory Auditors
M/s B S R & Associates, LLP
(Chartered Accountants)

Internal Auditors
M/s Shah Jain & Hindocha,
(Chartered Accountants)

Secretarial Auditors
M/s Samdani Shah & Kabra,
(Company Secretaries)

Cost Auditors
M/s Y S Thakar & Co.,
(Cost Accountants)

Bankers

State Bank of India

Standard Chartered Bank

HDFC Bank Ltd.

Registrar & Share Transfer Agent

Bigshare Services Pvt. Ltd
Office No S6-2,
6th floor Pinnacle Business Park,
Next to Ahura Centre,
Mahakali Caves Road,
Andheri (East) Mumbai – 400093,
Maharashtra, India.
Web: www.bigshareonline.com
Email: investor@bigshareonline.com

Management discussion and analysis

Management discussion and analysis

Global economy

The global economy is going through uncertain times, owing to the cumulative effects of the last three years of adverse geopolitical events such as the pandemic and the Russian invasion of Ukraine. The pent-up demand, lingering supply-chain disruptions, and commodity price spikes caused inflation to reach multi-decade highs in many economies in 2022. This led to a global liquidity squeeze and caused the United States of America's Federal Reserve to repeatedly hike their interest rates to control inflation.

More contagious COVID-19 strains emerged and affected activities in economies in which populations had low immunity, causing strict lockdowns to be implemented, in countries such as China. Although these developments decelerated the recovery. A number of economies performed, better than expected in the second half of 2022, reflecting stronger-than-anticipated domestic conditions. Labor markets in advanced economies — notably, the United States — remained strong, with historically low unemployment rates.

Outlook

Factors such as the continued Russia-Ukraine war, conservative monetary policy to counter inflation, high debt and commodity price hikes are expected to continue in 2023. The baseline forecast for global headline (consumer price index) inflation is expected to decline from 8.7 percent in 2022 to 7.0 percent in 2023. Disinflation is expected in all major economies, with about 76 percent countries expected to experience lower headline inflation in 2023. Initial differences in the level of inflation between advanced economies and emerging market and developing economies are expected to persist. The projected disinflation reflects declining fuel and nonfuel commodity prices as well as the expected cooling effects of monetary tightening on economic activity.

The global oil demand could climb by 2 million barrels / day to a record 101.9 mb/d. Non-OECD countries, buoyed by a resurgent China, that is expected to account for 90% of the growth. The OECD oil demand, dragged down by weak industrial activity and a warm weather, contracted by 390 kb/d y-o-y in 1Q23, the second consecutive quarter of decline; jet/kerosene accounted for 57% of crude oil gains in 2023.

Global refining throughput is expected to reach 82 mb/d in 2023. Annual gains could double to 2.1 mb/d from 1Q23 to 2Q23, as runs in the US normalise and Chinese activity becomes materially higher than a weak 2Q22 baseline. The crude runs in 2023 are expected to approach pre-Covid levels but remain 0.3 mb/d below the 2019 average throughputs.

Russian oil exports in March reached their highest since April 2020 due to product flows that touched levels last seen before Russia invaded Ukraine. The second half of 2023 is expected to witness oil supply deficit due to surprise OPEC+ supply cuts on 2nd April 2023, contributing to the economic certainty as industrial activity slows in the world's largest economies and production growth outside the alliance appears robust.

The apparent weakness in industrial activity could also impact gas oil demand, while the services sector and personal consumption sectors are driving gasoline and jet uptake. While gasoil cracks eased, those for gasoline continue to trend higher, aggravating retail inflation.

Indian economy

Despite facing formidable challenges, India continued to outperform the global average in terms of economic performance. The International Monetary Fund (IMF) released its latest World Economic Outlook report, projecting that the Indian economy would grow by 5.9 per cent in the current fiscal year, making it yet again the fastest-growing economy in the world.

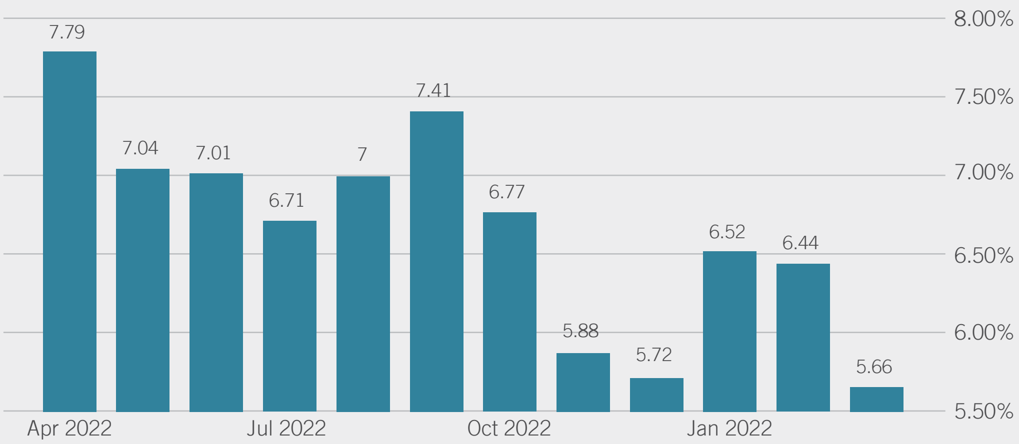
The IMF expects India's headline retail inflation to improve from 6.7 per cent in the previous year to 4.9 per cent in F.Y. 2023-24. The Union Budget proposed increased capital expenditure, considerable investments in infrastructure projects cum renewable energy and create a strong foundation for sustainable long-term growth.

India's growth trajectory continues to be strong and promising, with the IMF predicting that India and China could contribute half of the world's growth in 2023.

Inflation and interest rates

The annual consumer inflation fell to 5.66 percent in March 2023, the lowest since December 2021, and marginally below market expectations of 5.76 percent. Inflation was below the RBI's upper limit of 6% due to a slowdown in food costs (4.79% vs 5.95% in February 2023), mainly vegetables (-8.51%), oils and fats (-7.86%) and meat (-1.42%), which partially offset a rise in cost for cereals (15.27%), milk (9.3%) and spices (18.21%). The cost of sugar and confectionery went up 1%. A slowdown was seen in the cost of fuel and light (8.91% vs 9.9%), miscellaneous (5.77% vs 6.12%), clothing and footwear (8.18% vs 8.8%) and pan, tobacco, and intoxicants (2.99% vs 3.22%). On the other hand, prices rose faster for housing (4.96% vs 4.83%)

The Reserve Bank of India (RBI) projects FY24 inflation at 5.2%. RBI is optimistic that CPI inflation could moderate this fiscal year. Moving forward, the inflation trajectory depends on the prices of domestic commodities like vegetables, cereals, spices, etc



TRADINGECONOMICS.COM / MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (MOSPI)

Global plastic industry

The growing demand for plastic is due to high strength-to-weight ratio, high mouldability, impermeability to liquids, resistance to physical and chemical degradation and low cost. They can be used for a variety of applications and can replace materials such as glass, metal, wood, and natural fibres. By the end of 2032, the plastic market is expected to be valued at USD 885 billion. The sales of moulded plastics account for 28.1% share in the global plastics market. The molded plastics market witnessed significant growth in five years due to a growing demand in end-use industries like electrical & electronics, automotive, transpiration, etc.

One of the main factors propelling plastic market opportunities is the large requirement for high-performance plastic wrapping applications for the protection of finished goods. The growth of plastic sales can be attributed to their increased use as a replacement for aluminum and steel in the production of composite materials to address the regulatory requirement of improving the payload capacity that would increase fuel economy and ultimately conserve energy.

The demand for plastic products has risen as engineering polymers are stronger and more resilient than standard ones. As per the global market study on plastic consumption, they are portable and comparatively affordable while offering superior physical and thermal qualities. This has led to many multinational OEMs replacing metal components with manufactured plastic equivalents.

The categorical demand for plastic instruments in medical applications was determined to have positively impacted the plastic market's expansion during the worldwide increase in COVID-19 emergency cases.

Indian plastic industry

The Indian plastics industry market is one of the country's leading economic sectors. The industry is present across India and comprises more than 2,000 exporters. It employs more than 4 million people in the country and constitutes 30,000 processing units; among these, 85-90% belong to small and medium enterprises.

India manufactures products like plastics, linoleum, houseware products, cordage, fishnets, floorcoverings, medical items, packaging items, plastic films, pipes and raw material etc. The country majorly exports plastic raw materials, films, sheets, woven sacks, fabrics, and tarpaulin. The Government of India intends to take the plastic industry from ₹3 Lacs Cr. (US$ 37.8 billion) to ₹10 Lacs Cr. (US$ 126 billion) in five years.

The Union Ministry of Commerce and Industry of India targets to increase the country's plastic exports to US$ 25 billion by 2025. There are multiple plastic parks being set up across the country in a phased manner to enhance plastic manufacturing output. Under the plastic park schemes, the government's investment will be up to 50% of project cost or a ceiling cost of ₹40 crore (US$ 5 million) per project.

The demand for engineered plastics is likely to grow on the back of a rising use of several polymers in different industries, coupled with the augmented use of moulded plastics in the agriculture industry, catalysing market growth.

There is an increasing demand for automotive production and safe from the consumer goods industry that is likely to drive demand for molded plastics over the coming years. The inert properties of molded plastic products, along with their versatility, lightweight and durability, make them preferred choice for packaging medical products

Home furnishing business

The global home decor market size reached US$ 715.4 Billion in 2022 and is expected to reach US$ 937 billion by 2028, at a projected growth rate (CAGR) of 4.7% during 2023-2028.

The market for home furnishings is expanding due to rising disposable incomes, a rebounding real estate market, rising globalisation and heightened consumer awareness. There is a greater demand for homes due to rising urbanisation. A positive effect on the demand for home design products will be catalysed by the fact that more than half the world's population is urban; this is expected to increase. Additionally, home furnishing products are variable in nature and anticipated a continuous rise in global disposable income over the coming years, particularly in developing regions such as Asia, Africa, the Middle East, Eastern Europe, etc

It is anticipated that the rising home ownership would have a positive impact on this market following global real estate recovery. The robust success of the online retail industry is another important factor influencing this market. With the advent of online retail, home decor purchase is simple, economical, and convenient.

The Indian home furnishings market is growing on account of the increasing internet penetration and reliance on smartphones, tablets and laptops. Leading players are focusing on visually attractive online product displays and aggressive promotional campaigns. They are also offering customization to customers, which enables them to request for a specific material and color of furniture upholstery to match their home décor.

The Government of India introduced campaigns like Make in India that aim at minimizing imports and encouraging the domestic manufacture of home furnishings to offer employment opportunities. Moreover, there is an increase in the adoption of luxury home furnishings due to rising disposable incomes. Factors such as an increasing number of households and rapid expansion of interior design businesses are also strengthening offtake. (Source: Imarcgroup.com)

Toys sector

From 2022 to 2030, the global market for toys and games is projected to expand at a compound annual growth rate (CAGR) of 4.7%. The toys industry is growing due to parents' growing interest in eco-friendly toys, resurgence of traditional toys and video games, growing awareness of the cognitive advantages of building toys and an exponential growth in mobile-based gaming. The market is expected to be driven by the increased popularity of traditional recreational activities in the younger generation. A growing predilection among millennials for old-school games at social gatherings is likely to propel market growth.

Companies are shifting product offerings by launching e-stores and retailing products through e-commerce platforms as a viable and cost-effective alternative to physical marketing and sales. India's growing population is a primary factor driving the demand for toys. Inflating income levels and a rising awareness among individuals about the benefits of toys in improving the cognitive capabilities of children are influencing market growth. Apart from this, a shifting preference from conventional toys towards modern and hi-tech electronic toys is strengthening market growth. In line with this, the escalating demand for sensory toys for kids with special needs is catalysing offtake. The advent of advanced technology is encouraging manufacturers to produce innovative toys, creating a positive outlook.

Moreover, the expansion of organized distribution channels, proliferation of the e-commerce industry, exciting offers, and secured payment methods, are strengthening market outlook. Rising sales of smartphones, laptops, and personal computers, along with increasing social media influence, are propelling market growth.

Global pharma devices market

By 2029, the global market for medical devices is anticipated to expand at a CAGR of 5.5%. An increasing number of patients is undergoing diagnostic and surgical procedures due to increasing chronic diseases and emphasis on early diagnosis and treatment.

A growing number of in-patient admissions and increasing number of surgical and diagnostic procedures are driving the demand for medical devices, including capital equipment and consumables in developed and emerging countries. This is being augmented by increasing investments by leading market players in the R&D for the development of technologically advanced equipment, with an aim to cater to the growing demand for innovative devices.

It is anticipated that the medical devices industry could witness sustained growth following increasing investments by medical technology companies in research and development, and favourable conditions provided by regulatory authorities for their approval. A rapid rise in the geriatric population is strengthening demand for ophthalmic and orthopedic procedures due to an increasing incidence of impaired vision and joint fractures in the elderly.

The growing per capita healthcare expenditure in developed and emerging countries as well as improving reimbursement policies are leading to the rising number of patients undergoing diagnosis and treatment, strengthening the demand for medical devices in these countries.

Global pharma drug delivery market

In 2022, the global pharmaceutical drug delivery market was valued at USD 1,525.16 billion and is projected to surpass USD 2,047.36 billion by 2030, expanding at a CAGR of 3.7%. In 2022, the pharmaceutical medication delivery market in China was valued at USD 254.5 billion.

The global pharmaceutical drug delivery market is significantly driven by the rising prevalence of various chronic diseases such as diabetes, cardiovascular diseases, and cancer coupled with the technological advancements in the manufacturing and development of innovative devices for the pharmaceutical drug delivery. Diabetes is a prominent reason behind kidney failure, heart attacks, blindness, and stroke. Therefore, a rapidly growing prevalence of various chronic diseases across the globe is strengthening demand for innovative drugs and pharmaceutical drug delivery solutions.

The rapidly growing biopharmaceutical industry and the development of various new and innovative drugs in the industry is driving growth of the pharmaceutical drug delivery market. Growing investments by prominent pharmaceutical manufacturers in the research and development of the new drugs for the treatment of incurable diseases are enhancing the need for pharmaceutical drug delivery solutions. Moreover, the presence of the several top market players in the pharmaceutical drug delivery market and the key development strategies (new product launches, mergers, acquisitions and partnerships) are driving market growth.

Pharma packaging business

The pharmaceutical packaging market was valued at USD 99.9 billion in 2021 and projected to reach USD 229.9 billion by 2027, projected CAGR of 14.9%. This growing demand for pharmaceutical packaging is due to rising healthcare expenses, and growing consumer awareness about healthier lifestyles. Advanced drug delivery, growing emerging economy markets such as India, Thailand, China, and others and innovative packaging solutions with higher patient convenience and compliance drive the pharmaceutical packaging market.

Primary pharmaceutical packaging are products that come in direct contact with the medicine or drug. They include plastic bottles, glass bottles, pre-filled syringes, pre-filled inhalers, medication tubes, blister packaging, and others. The major contributors to the growth of this segment comprise pre-fillable syringes and pre-fillable inhalers. Plastic bottles, blister packs, and ampoules and vials are also some of the primary pharmaceutical packaging that are growing rapidly. Advancements in biotechnology, leading to the introduction of new injectable parenteral therapies, and increased demand for high visibility unit dosage packaging for diseases such as diabetes could drive the primary packaging segment.

Plastic offers design flexibility and cost-effective packaging solution, making it very suitable choice for pharmaceutical packaging. They are adopted for their enticing properties such as shatter resistance, rigidity, strength, light weighting, and mouldability. The superior shatter resistance provided by plastics enables handling and transportation ease. Plastic's easy molding strength and efficiency as a barrier against vapour and gas are additional benefits.

Overview

Shaily Engineering Plastics Limited is a leading manufacturer and supplier of engineering plastic products in India. Our business is focused on providing high-quality and innovative plastic solutions to customers across various industries such as automotive, electrical, consumer goods, and healthcare.

Our vision is to provide end-to-end solutions in plastics. We deliver superior quality, profitability and sustainability. We accelerated our consumer business by adding customers and segments. We strengthened our relationship with a Swedish home furnishings major

We de-risked our business model by focusing on new business segments and customers.

We are increasing our presence in intellectual property-related related products and healthcare. Our healthcare segment is the second largest segment. We added 12 drug delivery devices in commercial production and have enhanced scale to achieve 2-3x revenue growth in five years.

We funded capital expenditure of ₹150 Cr. to launch the healthcare business, new SKUs for a home furnishing major and carbon steel business from internal cash flows and debt.

We now possesses five pen injector platforms for various molecules and are working towards developing an auto injector.

Carbon steel furniture business

A growing demand for carbon steel in construction, automotive manufacturing and other applications is anticipated to enhance consumption. The market is being influenced by demographic and macro-economic factors like development in the infrastructure and construction sector, automotive manufacturing, and increasing demand for carbon steel over heavy walled cast iron, alumina, and concrete owing to its corrosion, installation, and breaking stress properties.

China, India, Brazil and ASEAN are expected to deliver significant growth, owing to enhanced industrialization, urbanization, construction, infrastructure spending and automotive sector growth. Growing urbanization in India is enhancing carbon steel demand. Rising low-carbon steel adoption is a key factor catalysing demand, contributing to market growth.

Automotive segment

We will continue to develop products that address the new age requirements of auto companies. We will maintain steady business through niche products with customers.

FMCG segment

In the FMCG segment, we provide end-to-end solutions that include vacuum metalizing, high speed pad printing, hot stamping and hot foiling, ultrasonic welding and painting. We have an injection moulding facility and secondary operation facility with complex engineering skills.

In the appliances and lighting segments, we supply critical components for the needs of various knob assemblies for different appliances. The global pandemic posed challenges for our business during the year under review, disrupting global supply chains, impacting our ability to source raw materials and deliver products on time. Despite these challenges, we adapted quickly and mitigated the pandemic's impact on our business.

Outlook

We are cautiously optimistic and believe that the demand for engineering plastic products will continue to grow, driven by the increasing use of plastics in various industries. We are positioned to capitalize with our strong product portfolio, focus on quality and commitment to innovation. We will continue to invest in R&D to develop new products and technologies that meet evolving customer needs. We will strengthen relationships with key customers and expand our presence in new markets.

Financial performance of the company for F.Y. 2022-23

- The company reported a Consolidated Revenue of ₹60,706.58 Lacs in F.Y. 2022-23 as compared to ₹56,770.68 Lacs in F.Y. 2021-22. Standalone revenue stood at ₹59,970.82 Lacs in F.Y. 2022-23 as compared to ₹56,585.20 Lacs in F.Y. 2021-22. Standalone Revenue from the sale of products and services stood at ₹59,797.62 Lacs in F.Y. 2022-23 compared to ₹56,304.22 Lacs in F.Y. 2021-22
- The company reported Consolidated EBITDA of ₹9,639.52 lacs in F.Y. 2022-23. Standalone EBITDA stood at ₹9,111.24 Lacs as compared to ₹8,984.67 Lacs in F.Y. 2021-22 i.e. a growth of 1.41% Y-o-Y. EBITDA margins reduced 69 bps and reached 15.19% in F.Y. 2022-23.
- Consolidated Profit before tax (PBT) was ₹4,520.74 Lacs in F.Y. 2022-23. Standalone Profit before tax (PBT) stood at ₹4,005.17 Lacs compared to ₹4,640.76 Lacs in F.Y. 2021-22 i.e. a decline of 13.70%.
- The company reported Consolidated Profit after Tax of ₹3,514.98 Lacs in F.Y. 2022-23. Standalone Profit after Tax stood at ₹2,999.41 Lacs in F.Y. 2022-23 compared to ₹3,514.01 Lacs in F.Y. 2021-22 i.e. a decline by 14.64% Y-o-Y
- The revenue mix for exports to domestic sales stands at 23:77. The revenue mix continued be skewed towards exports.
- Our Debt-to-Equity ratio stood at 0.47x.
- Total capex spend (including work in progress) during F.Y. 2022-23 was ₹9,773.27 Lacs. The major capex has been towards a new pharma plant.
- Looking at the expansion projects on hand, Shaily seeks to conserve cash for capital expenditure and hence, hence does not propose any dividend.

Our performance for F.Y. 2022-23 improved on account of various factors enumerated below:

Significant changes in Key Financial Ratios during F.Y. 2022-23

The key financial ratios on standalone basis during F.Y.23 vis-à-vis F.Y.22 are as below:

Key Financial Ratios	As at 31st March 2023	As at 31st March 2022	Variance (%)
Debtors' Turnover Ratio	6.34	6.65	-4.66%
Inventory Turnover Ratio	3.99	4.25	-6.12%
Interest Coverage Ratio	6.08	5.91	2.88%
Current Ratio	1.13	1.56	-27.56
Debt Equity Ratio	0.47	0.47	0.00%
Operating Profit Margin (%)	15.08%	15.63%	-3.52%
Return on Net Worth (%)	7.87%	12.80%	-38.52%

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

Board's Report

Dear Members,

Your directors have pleasure in presenting their 43rd Annual Report together with the Audited Financial Statements for the year ended on 31st March 2023.

Operations and State of Affairs of the Company:

Particulars	Standalone Basis		Consolidated Basis	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operations	59,970.82	56,585.20	60,706.58	56,770.68
Other Income	450.44	882.70	450.44	882.74
Profit for the year before Interest, Depreciation, Amortization & Tax	9,111.24	8,984.68	9,639.52	9,001.61
Finance Cost	1,788.23	1,694.48	1,788.23	1,694.48
Depreciation and Amortization Expense	3,317.84	2,649.43	3,330.55	2,653.74
Profit before Tax	4,005.17	4,640.76	4,520.74	4,653.38
Net Profit for the year	2,999.41	3,514.01	3,514.98	3,526.63

Note:

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

Operations and Business

The Company is expanding its Pharma Facility and the same is expected to be completed in FY24. Key developments during the year on the business development of the Company are covered in the Management Discussion and Analysis.

Subsidiary of the Company

Shaily (UK) Ltd., established in the United Kingdom as a Pvt. Ltd. Company, is a wholly owned subsidiary of the Company.

Shaily (UK) Ltd. operates as a Design Centre and a Research & Development division for varied medical and drug delivery devices. A statement containing the salient features of the Financial Statements of Shaily (UK) Ltd. as on 31st March 2023 as required under Section 129(3) of the Act forms part of the consolidated Financial Statements.

In terms of the provisions of Section 136 of the Companies Act, 2013, the Annual Report of the Company, containing therein its Standalone and Consolidated **Financial Statements** is hosted on the website of the Company at www.shaily.com . Audited Annual Financial Statements of Shaily (UK) Ltd. as on 31st March 2023, is available on the website of the Company at https://www.shaily.com/investors/compliances-policies/shaily-uk-ltd-wholly-owned-subsidiary. The Company does not have any associate or joint venture Company.

Appropriations

- Transfer to Reserves

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

- Dividend

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

In view of the same, your directors do not recommend dividend for this Financial Year.

The Register of Members and Share Transfer Books will remain closed from Friday, 23rd September 2023 to Friday, 29th September 2023 (both days inclusive) for the purpose of 43rd Annual General Meeting ("AGM") scheduled to be held on Friday, 29th September 2023.

Management Discussion and Analysis

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

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure A.**

Utilization of funds from proceeds of Preferential Issue

As on 31st March 2023, ₹12081.89 Lacs have been utilized from the proceeds of Preferential Issue towards the objects for which the same were raised.

Directors & Key Managerial Personnel

a. Retirement by Rotation

As per the provisions of the Companies Act, 2013, Mr. Amit Sanghvi (DIN: 00022444), retires by rotation at the forthcoming 43rd Annual General Meeting of the Company and being eligible, seeks re-appointment. The Board recommends his re-appointment.

b. Appointment of an Independent Director

The Board of Directors of the Company was further strengthened during the year by appointment of two new Independent Directors on the Board, namely, Mr. Samaresh Parida and Ms. Sangeeta Singh, effective from 30th May 2023 which was approved by the members at the 42nd Annual General Meeting of the Company.

c. Resignation of Independent Director

Ms. Varsha Purandare has resigned from the office of Independent Director of the Company, effective from 29th April 2023 due to personal reasons. Your Directors express their gratitude for the contribution made by Ms. Varsha Purandare during her tenure as an Independent Director.

d. Re-appointment of Whole Time Director

Mrs. Tilottama Sanghvi was reappointed as a Whole Time Director of the Company, effective from 1st February 2023, for a further period of three (3) years from 1st February 2023 to 31st January 2026 by the Board of Directors, at its meeting held on 30th May 2022, which was approved by the members at the 42nd Annual General Meeting of the Company.

Key Managerial Personnel

As on 31st March 2023, the Key Managerial Personnel of the Company are Mr. Mahendra Sanghvi, Executive Chairman, Mr. Laxman Sanghvi, Executive Director, Ms. Tilottama Sanghvi, Whole Time Director, Mr. Amit Sanghvi, Managing Director, Mr. Ashish Somani, Chief Financial Officer and Ms. Dimple Mehta, Company Secretary & Compliance Officer, in accordance with Section 203 of the Companies Act, 2013.

Ms. Preeti Sheth has resigned from the office of Assistant Company Secretary & Compliance Officer of the Company, effective from close of business hours on 15th November 2023.

Ms. Dimple Mehta has been appointed as the Company Secretary & Compliance Officer and Key Managerial Personnel of the Company, effective from 16th November 2023.

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

Meetings of Board

The Board met five (5) times during the Financial Year. Details of the meeting(s) are provided in the Corporate Governance Report that forms part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

Policy on Nomination & Remuneration

The existing policy is to have an appropriate mix of Executive and Non-executive and Independent directors to maintain independence of the Board and separate its functions of governance and management. As of 31st March 2023, the Board had total nine (9) members, four (4) of whom are Executive directors and five (5) are Non-Executive and Independent Directors. The Board has two Women Directors, out of which one Woman Director is an Executive Director and one Woman Director is a Non-executive and Independent Director.

The policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, in accordance with SEBI (Listing Obligations and Disclosure Requirements), 2015, is available at our website at https://static.shaily.com/NVmusaHvSkCkSxPngRsT-sepl-nomination-remuneration-policy-pdf.

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

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

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

Declaration by Independent Directors

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

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

Familiarization Programme

All new Independent Directors inducted into the Board attend an orientation program. At the time of the appointment of an Independent Director, the Company issues a formal letter of appointment outlining their role, function, duties and responsibilities as an Independent Director. The format of the letter of appointment is available on our website at https://static.shaily.com/86x2nOBMRpWOW5up9Pa4-specimen-letter-of-appointment-for-independent-director-pdf-pdf.

The Board members are provided with necessary reports, internal policies, periodical plant visits to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made at the meetings of the Board and the committees, on business and performance updates, global business environment, business strategy and risks involved.

The details of familiarization programme for Independent Directors are available at our website at https://www.shaily.com/investors/compliances-policies/familiarization-programe

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of the Board, its committees and of individual directors on an evaluation framework by way of individual and collective feedback from the Directors.

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

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

The outcome of Board Evaluation for F.Y. 2022-23 was discussed by the Nomination and Remuneration Committee and the Board at their respective meeting(s) held on 20th May 2023.

Committees of the Board

The Board has five (5) committees, namely:

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

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

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

Corporate Governance

The Company believes in adopting best practices of Corporate Governance. Corporate Governance Principles are enshrined in the spirit of the Company, forming its core values. These guiding principles are also articulated through the Company's code of business conduct, corporate governance guidelines, charter of various sub-committees and disclosure policy.

Report on Corporate Governance for F.Y. 2022-23 forms part of this Annual Report.

Corporate Social Responsibility (CSR)

Being an Indian Company, we are motivated by the Indian ethos of Dharma as a key plank for organizational self-realization. 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 fulfilment of its corporate responsibilities can enhance overall performance. The Company continues its CSR spend towards support to local initiatives, health/medical and education sector, sanitation/cleanliness, Rural Development and such varied activities towards Corporate Social Responsibility initiatives.

In compliance with requirements of Section 135 of the Act, the Company has laid down a CSR Policy. The composition of the Committee, contents of CSR Policy and report on CSR activities undertaken during FY 2022-23 in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as **Annexure B.**

Annual Return

A copy of the Annual Return as required under Section 92(3) of the Act has been placed on the website of the Company. The web-link as required under Section 134(3)(a) of the Act is as under; https://www.shaily.com/investors/compliances-policies/annual-return

Particulars of Employees and related disclosures

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as **Annexure C.**

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

Audit Reports and Auditors Audit Reports

The Independent Auditors' Report on Standalone and Consolidated Financial Statements for F.Y. 2022-23 does not contain any qualification, reservation or adverse remark. The Independent Auditors' Report is enclosed with the Financial Statements in this Annual Report.

- The Secretarial Auditors' Report for the F.Y. 2022-23 does not contain any qualification, reservation or adverse remark. However, the Secretarial Audit Report contains observations pertaining to delayed compliance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Secretarial Auditors' Report is enclosed as **Annexure D** to the Board's Report in this Annual Report.
- As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors' certificate on Corporate Governance is enclosed with the Corporate Governance Report in this Annual Report. The auditors' certification on the requirement of Corporate Governance for F.Y. 2022-23 does not contain any qualification, reservation or adverse remark except Observations pertaining to delayed compliance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

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

Reporting of fraud by auditors

During the F.Y. 2022-23, neither of the auditors viz., Statutory Auditors, Secretarial & Corporate Governance Auditors, Internal Auditors nor Cost Auditors have reported to the Audit Committee, under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees.

Auditors

Statutory Auditors

M/s. B S R & Associates LLP, Chartered Accountants (Firm Registration number 116231W/W-100024), were appointed as the Independent Auditors of the Company for a period of five (5) years from F.Y. 2018-19 to F.Y. 2022-23 i.e. from the conclusion of the 38th Annual General Meeting till the conclusion of 43rd Annual General Meeting of the Company in the Board meeting held on 14th May, 2018 and subsequently approved by the shareholders in the 38th Annual General Meeting held on 13th August, 2018. Accordingly, the 1st term of the appointment of M/s B S R & Associates, LLP, Chartered Accountants is going to be completed in the ensuing 43rd Annual General Meeting.

Pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. B S R & Associates LLP, Chartered Accountants (Firm Registration number 116231W/W-100024) is eligible to be re-appointed for a 2nd Term of Five consecutive years. However, due to the internal restructuring within BSR & Affiliates network firms, appointment (and not reappointment or change in auditor) of M/s B S R and Co., Chartered Accountants (Firm Registration Number: 128510W) (one of the audit firm under the BSR & Affiliates network firms) as the Statutory Auditors of the Company for a period of 5 consecutive years, commencing from the conclusion of 43rd Annual General Meeting till the conclusion of the 48th Annual General Meeting of the Company has been approved by the Audit Committee and the Board of Directors of the Company at their respective meetings held on 20th May 2023, subject to the approval of the Shareholders at the ensuing 43rd Annual General Meeting of the Company shall be considered.

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

Details of fees paid to the Statutory Auditors for all services provided by them for F.Y. 2022-23, forms part of the Corporate Governance Report and financials of the Company, included in this Annual Report.

Secretarial & Corporate Governance Auditors

The Board has appointed M/s Samdani Shah & Kabra, Company Secretaries, as Secretarial & Corporate Governance Auditors of the Company for F.Y. 2023-24 in terms of Section 204 of the Companies Act, 2013 read with rules thereunder.

Cost Auditors

M/s Y.S. Thakar & Co., Cost Accountants, Vadodara are appointed as Cost Auditors of the Company to conduct audit of cost records of the Company for F.Y. 2023-24.

Based upon the declaration on their eligibility, consent and terms of engagement, the Board at its meeting held on 20th May 2023, have appointed the Cost Auditors and recommends the ratification of remuneration to be paid to the Cost Auditors for F.Y. 2023-24 to the shareholders of the Company.

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

Internal Auditors

The Board has appointed M/s Shah Jain & Hindocha, Chartered Accountants, based at Vadodara, Gujarat as Internal Auditors of the Company for F.Y. 2023-24.

Business Responsibility and Sustainability Report

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

Policy on Business Responsibility and Sustainability Reporting is available on the Company website at weblink https://static.shaily.com/2KfgCI1USEm3mfq4QcmR-brsr-policy-pdf

Risk Management

The Company has a mechanism in place to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Risk Management Committee, Audit Committee and the Board of Directors of the Company.

The Risk Management Policy of the Company is available on the website of the Company at weblink https://static.shaily.com/xPWCj6xeT06ZOyzinzhU-sepl-risk-management-policy-pdf

Vigil Mechanism

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

The Vigil Mechanism Policy of the Company is available on the Company's website at weblink https://static.shaily.com/6YQbFHzPS1eqWAVJ3sIk-sepl-vigil-mechanism-policy-pdf

Internal Financial control & its adequacy

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

Contracts & Arrangements with Related Parties

All contracts/arrangements entered by the Company during the Financial Year with related parties were in ordinary course of business and on arm's length basis. During the year, the Company did not enter into any contracts/arrangements/transaction with related parties which could be considered material. Hence, there is no information to be provided as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014

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

Particulars of Loans, Guarantees or Investments

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

Deposits

The Company has not accepted deposits from the public falling within the ambit of section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Therefore, requirement of applicable laws and regulations for disclosure of details of deposits under section 134(3)(q) of the Companies Act, 2013 and rule made thereunder is not applicable.

Secretarial Standards

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

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

The Company strongly believes in providing a safe and harassment free workplace for each and every individual working for the Company. The Company has in place a Policy against Sexual Harassment at workplace in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding Sexual Harassment. All employees (permanent, contractual, temporary and trainees) are covered under this Policy.

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

Dividend Distribution Policy

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

Material Changes

There have been no material changes and commitments since the close of F.Y 31st March 2023 till the date of Board's report, which may affect the financial position of the Company.

Change in nature of business

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

Significant/material orders passed by Regulators/courts/tribunal

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

Green Initiative

Electronic copies of the Annual Report 2022-23 and the Notice of the 43rd Annual General Meeting are being sent to all members whose email addresses are registered with the Registrar & Share Transfer Agents (RTA) of the Company /Depository participant(s).

The regulatory authorities i.e. Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 2/2022 dated May 05, 2022 and General Circular No. 10/2022 and the Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January 2023 permitted the Companies for holding of the Annual General Meeting ("AGM") through Video Conferencing/Other Audio Visual Means ("VC/OAVM"), without the physical presence of the Members at a common venue.

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

43rd Annual General Meeting

In order to contain the spread of pandemic and safety precautions to be exercised, the Ministry of Corporate Affairs ("MCA") vide General Circular No. 2/2022 dated May 05, 2022 and General Circular No. 10/2022 and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January 2023, continued to allow companies to hold General Meetings through Video Conferencing facility or through any other audio-visual means.

This is a welcome move by the Ministry.

Hence, for the convenience of the members, the Company has decided to continue to hold its Annual General Meeting through Video Conference, to facilitate members attending the 43rd Annual General Meeting of the Company.

Details of the meeting and the facility is provided in the Notice of the 43rd Annual General Meeting.

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

The Company has made an application under the Insolvency and Bankruptcy Code, 2016, with the National Company Law Tribunal, Ahmedabad Bench ("the NCLT") against one of its customers, Agile Plast Pvt. Ltd. Value of Litigation is ₹27 lacs. As on 31st March 2023, the matter is pending before the NCLT.

The NCLT, vide its order dated, 30th March 2022, had adjourned the matter sine die in light of the case of Jumbo Paper Products v HansRaj Agrofresh (Civil Appeal 7032/2021) which is currently pending before the Supreme Court of India and has the same subject matter as the one in Shaily's claim before the NCLT. Thus, the matter before NCLT is currently pending as it has been revived and we are waiting for the judgement of the Supreme Court in the aforementioned case in order to get the next hearing date scheduled. Since the likelihood of favourable judgement before the Supreme Court in the aforementioned matter is high, the likelihood of NCLT's matter in favour of Shaily is high.

General Disclosures:

- The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.

  The Managing Director and the Whole Time Directors during the F.Y. 2022-23 have not received any amount as commission from the Company.

- The Managing Director and the Whole Time Directors during the F.Y. 2022-23 have not received any commission/remuneration from the Subsidiary Company. The Company does not have any Holding Company.
- During the F.Y. 2022-23, there was no instance of one-time settlement with any Bank or Financial institution. Hence, the disclosure requirement in the context is not applicable.

Directors' Responsibility Statement

In terms of the provisions of Companies Act, 2013, the Directors confirm that.

(i) in preparation of the annual accounts for the F.Y. ended 31st March 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.

(ii) They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of profit and loss of the Company for that period;

(iii) They have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) They have prepared the annual accounts on a going concern basis;

(v) They have laid down internal financial controls to be followed by the Company, which are adequate and are operating effectively; and

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

Acknowledgements

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

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

For and on behalf of the Board of Directors

Mahendra Sanghvi
Executive Chairman
DIN: 00084162

Place: Vadodara
Date: 14th July 2023

Annexure A

Information required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts), Rules, 2014 pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo:

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

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

(A) Conservation of Energy

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

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

- The Company has installed a number of devices in its plants for conservation/reducing the energy requirements.
- CFL bulbs being replaced with LED lightning with less energy consumption.
- Monitoring of energy parameters viz., maximum demand, power factor, load factor, TOD tariff utilization on regular basis.
- Upgradation of transformer to OLTC base which reduces power loss, consumes less energy with reduced maintenance cost and increase in load capacity.
- Use of higher cavitation moulds which can provide same output with less energy consumption.
- Use of “Stack moulds” which produces different components of the same product at a single time in a single machine, which were earlier manufactured in different machines. This resulted into higher machine utilization rate, reduction in cycle time, enhanced production and better efficient usage of energy.
- Installation of pneumatic auto shut-off valves in-let pipes at moulding area, thereby achieving reduction in idle time power losses.
- Replacement of individual portable chillers with Centralized chilling plant for moulding shop floors, thereby achieving reduction in overall power consumption.
- Periodical conduct of safety audits to ensure efficiency of safety measures adopted across all facilities.
- The company has RO installed and the reject water is further used in flushing in washroom.
- Reduction of water consumption in new facility of pharma unit by Adiabatic cooling tower.
- Use of Individual lights at respective desks to switch off when not in use, thereby reducing power consumption.
- Installation of Capacitor bank to maintain power factor 0.98-0.99, thereby reduction in overall power consumption.
- Use of occupancy sensor in Corridor and Washroom.
- Fossil fuel (diesel) zero consumed in F.Y. 2022-23 in Halol Unit (plastic & carbon steel plant). The Company has planned to switch to zero fossil fuel consumption from F.Y. 2024-25.
- Renewable electricity 80% of consumption of entire company in F.Y. 2022-23. The Company targeting for 100 % consumption through renewable sources in F.Y. 2023-24

(ii) Capital investment on energy conservation equipments :

The Company continuously endeavors to discover usages on new technologies and tools to save the energy and reduce consumption. The Company has installed such energy efficient machinery and devices to improve the power factor.

The Company has procured all electric injection molding machines in the new pharma unit with a low power consumption.

(B) Technology Absorption

(i) Efforts made towards technology absorption:

Research and Development:

- The Company has developed and manufactured several dies and moulds and has also developed several plastic components, which were earlier imported. The activities in development are carried out by technicians and the expenditure thereon, is debited to the respective heads.

- Development of new design, processes and products from conceptualization to manufacture, for some customers.
- Development of complex designs for components of medical devices.
- Successful in conversion of products manufactured from virgin material to recycled and bioplastics material.
- Development and set up of assembly machine and assembly line for injector pens to detect manual errors, thereby increase in productivity.
- Installation of "Harmonic Arresters" in electrical circuits, which reduces damages due to electricity fluctuations, thereby reduction in repairs & maintenance and overall power consumption.
- Technology absorption, adaption and innovation:
- The Company has manufactured varied plastic components of international standard/quality, which are import substitutes for diverse applications. Kaizen and Lean Sigma forms a significant part of our strategy, resulting in improvement across business landscape.
- Use of Robotics in the production process, yielding into reduced cycle time, improvement in productivity and process efficiencies.

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

- Continuous upgradation and adoption of new technology for better productivity and yield.
- Company has through its own research and development activities, developed several dies and moulds; which serves as an import substitution.
- Such varied plastic components of international standard/quality are import substitutes for diverse applications.
- Improved performance of machines and its utilization.
- Enhanced global presence/visibility.

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

(iv) Expenditure incurred on Research & Development:

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

(C) Foreign Exchange Earnings and Outgo

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

Foreign exchange earned on terms of actual inflows during the F.Y. 2022-23 was ₹552,569,032/-

Foreign exchange outgo of actual outflows during the F.Y. 2022-23 was ₹2,171,722,352/-

For and on behalf of the Board of Directors

Mahendra Sanghvi
Executive Chairman
DIN: 00084162

Place: Vadodara
Date: 14th July 2023

Annexure - B

Annual Report on Corporate Social Responsibility ('CSR') Activities for the F.Y. 2022-23

1. Brief outline on CSR Policy of the Company:

CSR is not a mere philanthropic activity but also comprises of activities that require a company to integrate social, environmental and ethical concerns into the company's vision and mission through such activities. Shaily's vision is to create value for the nation, enhance quality of life across the entire socio-economic spectrum and build an inclusive India. We constantly strive to contribute in humble ways to the motto "May Everyone be Happy" and take up the cause of welfare amongst communities in which we operate.

The Company's CSR Policy provides for carrying out CSR activities as prescribed under Schedule VII to the Companies Act, 2013, through various "Not for profit" Organization (NGO's) as well as through direct channel.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ranjit Singh	Chairman - Independent Director	2	2
2	Laxman Sanghvi	Member - Executive Director	2	2
3	Tilottama Sanghvi	Member - Whole Time Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

a. Weblink of Composition of CSR Committee:
https://www.shaily.com/investors/compliances-policies/committees-of-boards-key-officials

b. Weblink of CSR Policy:
https://static.shaily.com/9ya3b6FTR1eEJa4s8bik-sepl-csr-policy-pdf

c. Weblink of CSR Projects of the Company:
https://static.shaily.com/FAVhNbsRBicQo5xAmROA-proposed-csr-plan-pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Project carried out in pursuance of sub-rule (3) of rule 8, if applicable.

As per the referred rule, if the Company has an average CSR obligation of ₹10 crore or more in immediately three preceding years, Impact Assessment Report is required for those CSR projects which have an outlay of ₹1 crore or more. The average CSR obligation in immediately three preceding years and the CSR projects of the Company as approved by the CSR Committee and the Board of Directors, does not fall under the criteria specified, hence obtaining Impact Assessment Report is Not Applicable to the Company.

5.

a.	Average net profit of the company as per sub-section (5) of section 135	:	₹35,66,29,800/-
b.	Two percent of average net profit of the company as per sub-section (5) of section 135	:	₹71,32,596/-
c.	Surplus arising out of the CSR Projects or programmes or activities of the previous Financial Year	:	NIL
d.	Amont required to be set-off for the Financial Year, if any	:	NIL
e.	Total CSR obligation for the Financial Year [(b)+(c)-(d)]	:	₹71,32,596/-

6.

a.	Amount spent on CSR Projects (both ongoing Project and other than Ongoing Project)	:	₹26,51,108/-
b.	Amount spent in Administrative Overheads	:	NIL
c.	Amount spent on Impact Assessment, if applicable	:	NIL
d.	Total amount spent for the Financial Year [(a)+(b)+(c)]	:	₹26,51,108/-

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount. (In ₹)	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
₹26,51,108/-	45,00,000	28th April 2023	-	-	-

(f) Excess amount for set off, if any: Not Applicable

Sl. No.	Financial Year	Amount required to be set-off for the Financial Year, if any (in ₹)
(i)	Two percent of average net profit of the Company as per sun-section (5) of section 135	₹71,32,596/-
(ii)	Total amount spent for the Financial Year	₹26,51,108/-
(iii)	Excess amount spent for the **Financial Year**[(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous **Financial Year**, if any	Not Applicable
(v)	Amount available for set off in succeeding **Financial Year** [(iii)-(iv)]	Not Applicable

7. Details of Unspent Corporate Social Responsibility amount for the preceeding Financial Years:

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	2019-20	NA	NA	NA	-	-		
2	2020-21	NA	NA	NIL	80,404	29th September, 2021	NA	NA
3	2021-22	NA	NA	NIL	17,63,496	29th September, 2022	NA	NA
					20,00,000	28th September, 2022	NA	NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

○ Yes ✓ No

If Yes, enter the number of Capital assets created / acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No.	Short Particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or assets(s)	Date of Creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.

The Company has identified the ongoing project as on 31st March 2023. Hence, the unspent amount which was assigned for the CSR Activity for the F.Y. 2022-23 has been transferred to Shaily Engineering Plastics Limited - Unspent Corporate Social Responsibility Account as per section 135 (6) of the Companies Act 2013.

Place: Vadodara
Date: 20th May 2023

Mahendra Sanghvi
Executive Chairman

Ranjit Singh
Chairman – CSR Committee

Annexure C

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

1. Ratio of Remuneration of each Executive Director to the median remuneration of the employees of the Company for the F.Y. 2022-23:

Name of Director	Designation	Ratio to Remuneration
Mr. Mahendra Sanghvi	Executive Chairman	46.51:1
Mr. Laxman Sanghvi	Executive Director	26.74:1
Ms. Tilottama Sanghvi	Whole Time Director	23.26:1
Mr. Amit Sanghvi	Managing Director	46.51:1

2. Percentage increase in remuneration of each Executive Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, during the F.Y. 2022-23:

Name	Designation	% Increase/ (Decrease)
Mahendra Sanghvi	Executive Chairman	0
Laxman Sanghvi	Executive Director	0
Tilottama Sanghvi	Whole Time Director	0
Amit Sanghvi	Managing Director	0
Ashish Somani	Chief Financial Officer	14%
Dimple Mehta	Company Secretary	14%

3. Percentage increase in median remuneration of employees in the F.Y. 2022-23:

The median remuneration of employees was increased by 6.73% during the F.Y. 2022-23. Number of permanent employees on the role of the Company:

Staff:	766
Permanent Workers:	428

4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last F.Y. and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Non - Managerial Personnel:	24.24%
Managerial Personnel:	10.04%
Total	34.28%

There are no exceptional circumstances for increase in managerial remuneration.

5. Affirmation

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

For and on behalf of the Board

Mahendra Sanghvi
Executive Chairman
DIN : 00084162

Place: Vadodara
Date: 14th July 2023

Annexure D

Secretarial Audit Report

For the Financial Year ended March 31, 2023

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

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

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and 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, 2023 ("review period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the review period, according to the provisions of:

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

ii. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India ("SEBI") Act, 1992: -

   a. SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018; However, there were no actions / events pursuant to these regulations, hence not applicable.

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

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

   d. SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

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

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

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

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

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

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

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

ii. Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the review period, the Company has complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except *under Regulation*

33(3) for the quarter and half year ended on September 30, 2022 and Regulation 21(3C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was not made within stipulated time.

We further report that;

A. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the composition of the Board of Directors that took place during the review period were carried out in compliance with the provisions of the Act;

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

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

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

E. During the review period, there were no specific instances / actions in the Company in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards etc. having major bearing on the Company's affairs.

S. Samdani
Partner

Samdani Shah & Kabra
Company Secretaries
FCS No. 3677 I CP No. 2863

ICSI Peer Review # 1079/2021
ICSI UDIN: F003677E000620018

Place: Vadodara I Date: July 14, 2023

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

Appendix A

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

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

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

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

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

iv. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the Company's affairs.

S. Samdani
Partner

Samdani Shah & Kabra
Company Secretaries
FCS No. 3677 | CP No. 2863

ICSI Peer Review # 1079/2021
ICSI UDIN: F003677E000620018

Place: Vadodara | Date: July 14, 2023

Annexure E

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the Company

1. **Corporate Identity Number (CIN) of the Listed Entity :** L51900GJ1980PLC065554
2. **Name of the Listed Entity :** Shaily Engineering Plastics Limited
3. **Year of incorporation :** 18/04/1980
4. **Registered office address :** Survey no. 364/366 at & Po. Rania - 391 780 Taluka Savli District Vadodara, Gujarat, India
5. **Corporate address :** 8, J.P. Nagar , Old Padra Road, Vadodara – 390 015, Gujarat , India.
6. **E-mail :** secretarial@shaily.com
7. **Telephone :** +91 7574805122 , +91 7574805181
8. **Website :** www.shaily.com
9. **Financial year for which reporting is being done :** F.Y. 2022-23
10. **Name of the Stock Exchange(s) where shares are listed :** BSE Limited and National Stock Exchange of India Limited (w.e.f. 4th April, 2022)
11. **Paid-up Capital :** ₹ 9,17,35,020
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report :** Ms. Dimple Mehta , Company Secretary T: +917574805122,+917574805181 Email: secretrarial@shaily.com
13. **Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated Financial Statements, taken together).**

This report is being prepared on a Standalone basis.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Plastic products, non-metallic mineral products, rubber products, fabricated metal products	98.78%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Plastic products, non-metallic mineral products, rubber products, fabricated metal products	222	98.78%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	6	3	9
International	0	2	2

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	28
International (No. of Countries)	40

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports contributed 77.03% of the total turnover of the entity for the FY 2022-23

c. A brief on types of customers

Shaily Engineering Plastics Limited the Company is engaged in the manufacture & supply of high precision injection moulded plastic components/products which are supplied across multiple industries, viz.

- Home furnishings
- Medical devices, packaging
- FMCG
- Automotive
- Appliances
- Electronics, LED lightings
- Engineering & others
- Toys
- The Company manufactures & supplies medical devices on contract manufacturing basis & also supplies medical devices where the IP is owned by the Company
- The Company manufactures moulds & dies which are also supplied to the customer

IV. Employees

18. Details as at the end of F.Y. 2022-23

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	EMPLOYEES					
1.	Permanent (D)	496	472	95.16%	24	4.84%
2.	Other than Permanent (E)	279	267	95.70%	12	4.30%
3.	Total employees (D + E)	775	739	95.35%	36	4.65%
	WORKERS					
4.	Permanent (F)	95	95	100%	0	0%
5.	Other than Permanent (G)	1194	857	71.78%	337	28.22%
6.	Total workers (F + G)	1289	952	73.86%	337	26.14%

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	2	2	100%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total differently abled employees (D + E)	2	2	100%	0	0%
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than permanent (G)	6	6	100%	0	0%
6.	Total differently abled workers (F + G)	6	6	100%	0	0%

19. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	9	2	22%
Key Management Personnel (Excluding Executive Directors)	2	1	50%

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	22%	1.5%	23.5%	23%	1%	24%	23%	1.5%	24.5%
Permanent Workers	2%	0	2%	0	0	0	0	0	0

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Shaily (UK) Limited	Wholly Owned Subsidiary	100%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **YES**

(ii) Turnover (in ₹) **599,70,81,704**

(iii) Net worth (in ₹) **395,63,37,688**

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	0	0	0	0
Investors (other than shareholders)	Yes	0	0	0	0	0	0

Shareholders	Yes	1	0	Satisfactory redressal done for grievance	0	0	0
Employees and workers	Yes	0	0	0	0	0	0
Customers	Yes	0	0	0	0	0	0
Value Chain Partners	Yes	0	0	0	0	0	0
Other (please specify)	Yes	0	0	0	0	0	0

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Occupational Health and Safety (OHS) and Environment Safety	Risk	Risk: Inherently associated with business activities and processes	Company carries out regular assessments of all the health & environment risks. Various methods are employed to mitigate the risks. There is a proper Grievance Redressal Policy in place to resolve the grievances.	Positive
2	Occupational Health and Safety (OHS) and Environment Safety	Opportunity	Opportunity: Strong internal controls and governance mechanism are in place at each of the factory. This improves the employee / worker safety and overall health wellbeing, leading to improved productivity	-	Positive
3	Social Responsibility	Opportunity	Shaily's vision is to create the value for the nation, enhance quality of life across the entire socio-economic spectrum & build an inclusive India. We constantly strive to contribute the motto "May Everyone be Happy" & take up the cause of the welfare amongst the society. The Company's CSR policy provides for carrying out CSR activities as prescribed under Schedule VII to the Companies Act 2013, through various NGO's as well as through other channels.	-	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Energy Conservation	Opportunity	There is a direct relation of cost savings & energy conservation and usage of renewable energy. Shaily is committed to transform energy conservation into a strategic business goal alongwith the technological sustainable development of Energy Management System. The Company constantly endeavors to reduce energy consumption in all its operations.	-	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://www.shaily.com/investors								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/ labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trust) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	RBA, SA 8000, IWAY, SCAN, IATF 1649, ISO 9001/ 13485/ 15387/ 14001, MDSAP	RBA, SA 8000, IWAY, SCAN, IATF 1649, ISO 9001/ 13485/ 15387/ 14001, MDSAP	RBA, SA 8000, IWAY, SCAN, IATF 1649, ISO 9001/ 13485/ 15387/ 14001, MDSAP	RBA, SA 8000, IWAY, SCAN, ISO 14001	RBA, SA 8000, IWAY,	RBA, SA 8000, IWAY, ISO 14001	RBA, SA 8000, IWAY,ISO 13485/ 14001/ 15387	RBA, SA 8000, IWAY	RBA, SA 8000, IWAY, SCAN, IATF 1649, ISO 9001/ 13485/ 15387, MDSAP
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Governance, leadership and oversight

7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Amit Sanghvi Designation: Managing Director DIN: 00022444 Email ID: a.sanghvi@shaily.com
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the company has a specified committee however the committee is constituted of senior employees who are the members of the committee and look after the sustainability issues. Risk Management Committee of the Board also assesses the risk pertaining to ESG.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Any other Committee									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Any other Committee									Annually								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	No	No	No	No	No	No	No	No	No

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next Financial Year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the Principles during the Financial Year:**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	The Board of Directors and KMPs are regularly apprised with all the overall environmental, social and governance parameters and principles of BRSR etc	100%
Key Managerial Personnel	1		100%
Employees other than BoD and KMPs	94	Classroom and on job training programs like business ethics health and safety , hygiene awareness, social compliance, chemical material handling, first aid, firefighting, energy management, prevention of sexual harassment, six sigma, GDP, behaviour training, soft skill development, technical trainings etc.	100%
Workers	16		100%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the Financial Year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**There have been no instances of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the Financial Year

MONETARY

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil

NON-MONETARY

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed. Not Applicable as there are no fines / penalties paid by the entities or by its directors or by its KMP's**

Case Details	Name of the regulatory / enforcementagencies / judicialinstitutions
Nil	Nil

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.** Yes, the Company has a documented Anti Bribery Policy which speaks about the Company's commitment to conduct its business activities with honesty and integrity and in compliance with the laws of the countries in which it operates.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

Particulars	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. **Details of complaints with regard to conflict of interest:**

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.** During the FY 2022-23 there were no cases of corruption or conflict of interest

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the principles during the Financial Year:**

Total number of awareness Topics / principles %age of value chain programmes held covered under the partners covered (by value training of business done with such partners) under the awareness programmes

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain covered under the partners covered (by valueof business done with such partners) under the awareness programmes
15	Training programs like social compliances, business ethics, health and safety, hygiene awareness, chemical material handling, first aid, emergency preparedness etc.	23%

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.**

Yes, the entity has a process in place to avoid conflict of interest involving members of the Board.

The entity has a process of taking written declaration annually & whenever required thereafter, in order to avoid conflict of interest involving the members of the board.

Further, the entity has laid down the code of conduct for all Board Members and Senior Management Personnels of the Company. The code of conduct is also available on the website : https://shaily.com/investors/compliances-policies/policies

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	Current F.Y. 2022-23	Previous F.Y. 2021-22	Details of improvements in environmental and social impacts
R&D	0	0	Nil
Capex	0.06%	0	The Company is procuring the energy from renewable sources which in return helps to reduce CO2 emissions in the environment and also helps in saving the cost of the production

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No) Yes**

   The Company has formulated an operating procedure to approve vendors. Materials are procured from approved vendors at both national and international level. The quality assurance team of the Company conducts periodic audit of the vendors, especially those who supply key materials. The Company has longstanding business relations with regular vendors. The Company enters into annual freight contracts with leading transporters for movement of materials. The Company continues to receive sustained support from its vendors.

   b. **If yes, what percentage of inputs were sourced sustainably?** 40.22% of inputs were sourced sustainably during the FY 2023-24

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

   (a) Plant generated waste, disposal method & end use mapping as part of circular economy by collecting the waste and disposal through authorized agents.

   (b) Plastics (including packaging): Reusing and Recycling is not applicable for medical devices. After the shelf life, material is identified with red label and moved to the designated rejection rack. Information is given to Quality Certification department for further action or disposition. Disposition is carried out at the end of life of product using scrapping / grinding the material.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).**

   Yes, the Extended Producer Responsibility (EPR) is applicable to the Company.

5. **If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   The waste collection plan is in line with the Solid Waste Management Rules, 2016 & has been approved by the respective Pollution Control Boards

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?** Not Applicable as Shaily is a third party manufacturer and is not supplying the product directly into the market.

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Not Applicable					

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

   Not Applicable

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23 (Current F.Y.)	FY 2021-22 (Previous F.Y.)
Plastic Raw Material	40.22%	24.78%

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

   Shaily is a third-party manufacturer (having B2B Model) hence this is not applicable.

Stakeholder group from whom complaint is received	FY 2022-23 Current F.Y.			FY 2021-22 Previous F.Y.		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	N.A.	N.A.	N.A.	N.A	N.A	N.A
E-waste	N.A.	N.A.	N.A.	N.A	N.A	N.A
Hazardous waste	N.A.	N.A.	N.A.	N.A	N.A	N.A
Other waste	N.A.	N.A.	N.A.	N.A	N.A	N.A

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

   Shaily is a third-party manufacturer(having B2B model) hence this is not applicable.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
N.A.	N.A.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. **a. Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
PERMANENT EMPLOYEES											
Male	474	474	100%	474	100%	N.A.	N.A.	0	0%	N.A.	N.A.
Female	22	22	100%	22	100%	22	100%	N.A.	N.A.	22	100%
Total	**496**	**496**	**100%**	**496**	**100%**	**22**	**4.44%**	**0**	**0%**	**22**	**4.44%**
OTHER THAN PERMANENT EMPLOYEES											
Male	256	256	100%	256	100%	N.A.	N.A.	0	0%	N.A.	N.A.
Female	11	11	100%	11	100%	11	100%	N.A.	N.A.	11	100%
Total	**267**	**267**	**100%**	**267**	**100%**	**11**	**4.12%**	**0**	**0%**	**11**	**4.12%**

b. **Details of measures for the well-being of workers:**

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
PERMANENT WORKERS											
Male	95	95	100%	95	100%	N.A.	N.A.	0	0%	N.A.	N.A.
Female	0	0	0%	0	0%	0	0%	N.A.	N.A.	0	0%
Total	**95**	**95**	**100%**	**95**	**100%**	**0**	**0%**	**0**	**0%**	**0**	**0%**
OTHER THAN PERMANENT WORKERS											
Male	776	776	100%	776	100%	N.A.	N.A.	0	0%	N.A.	N.A.
Female	418	418	100%	418	100%	418	100%	N.A.	N.A.	418	100%
Total	**1194**	**1194**	**100%**	**1194**	**100%**	**418**	**35.01%**	**0**	**0%**	**418**	**35.01%**

2. **Details of retirement benefits, for Current Financial Year and Previous Financial Year.**

Benefits	FY 2022-23 Current F.Y.			FY 2021-22 Previous F.Y.		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	8%	N.A.	100%	8%	N.A.
ESI	15%	92%	Y	12%	92%	Y
Others:	0	0	N.A	0	0	N.A

3. **Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

   Yes, the premises of the Shaily are disabled friendly and are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.** Yes, Shaily has an equal opportunity policy as a part of its BRSR policy which highlights on providing equal opportunities to every competent applicant in jobs/promotions, skill up gradation and does not discriminate based on one's race, caste, religion, color, ancestry, marital status, gender, sexual orientation, age, and nationality

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.** The Company does not have any provision for paternal leave, however female employees/workers availed the maternity leave, returned to work and were retained thereafter during the year

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0%	0%	0%	0%
Female	100%	100%	0%	0%
Total	**100%**	**100%**	**0%**	**0%**

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

Particulars	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, Shaily strives to continuously improve the quality of work life for its employees by quick identification and resolution of employee grievances.
Other than Permanent Employees	
Permanent Employees	
Other than Permanent Employees	

Any grievance other than sexual harassment is addressed as per the Grievance Procedure in the following manner:

1. **Level 1 (Approach the foreman/supervisor & redressal within 48 hrs.)**

   The aggrieved worker in the first instance will approach the foreman and tell him of his/her grievance orally. The foreman has to redress his/her grievance and if the worker is not satisfied with this redressal, he/she can approach the supervisor.

2. **Level 2 (Approach HOD & redressal within 3 days)**

   The supervisor has to provide an answer within 48 hours. In the event of the supervisor not giving an answer or the answer not being acceptable to the worker, the worker goes to the next step. At this stage, the worker (either alone or accompanied by his departmental representative) approaches the Head of the Department who has to give an answer within three days.

3. **Level 3 (Recommendations of Committee should be communicated to the HOD within seven days)**

   If the Departmental Head fails to give an answer or if the worker is not satisfied with his answer, the worker may appeal to the Grievance Committee. The recommendations of this Committee should be communicated to the HOD within seven days from the date of the grievance reaching it.

4. **Level 4 (HOD has to take a decision and inform the worker within three days)**

   Unanimous decisions, if any, of the committee shall be implemented by the management. If there is no unanimity, the views of the members of the Committee shall be placed before the HOD's decision. The HOD has to take a decision and inform the worker within three days.

   Internal Grievance handling flow should be completed within 45 days.

   Appeal against the HOD's decision:

   The worker can make an appeal against the HOD's decision. A union official may accompany the worker to the manager for discussion and if no decision is arrived at this stage, both the union and management may refer the grievance to voluntary arbitration of the receipt of the management's decision.

   Flow -> Contact HR Dept. or Worker Representative / Social Performance Team Representative -> Report Grievance/ misconduct verbally or written-> Issue show cause notice -> Record reply of show cause notice, Period: within 3 days -> Investigation->Conclusion/Findings

   Conclusion:

   Guilty->Either party -> Disciplinary action taken based on severity e.: suspension -> show cause notice -> Either party not satisfied, can proceed as per Industrial Dispute Act.

   Non-Guilty->Either party -> Complaint closed -> Mutual Settlement

7. **Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)

Shaily does not recognize any association(s)/Unions. However, there is a Workers Committee in place which reports active participation by workers representatives and management representatives on a regular basis.

8. Details of training given to employees and workers:

	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (A)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES										
Male	794	794	100%	794	100%	356	356	100%	356	100%
Female	14	14	100%	14	100%	29	29	100%	29	100%
Total	**808**	**808**	**100%**	**808**	**100%**	**385**	**385**	**100%**	**385**	**100%**
WORKERS										
Male	1506	1506	100%	1506	100%	173	173	100%	173	100%
Female	420	420	100%	420	100%	35	35	100%	35	100%
Total	**1926**	**1926**	**100%**	**1926**	**100%**	**208**	**208**	**100%**	**208**	**100%**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (A)	Total (B)	% (B / A)
Employees						
Male	794	794	100%	356	356	100%
Female	14	14	100%	29	29	100%
Total	**808**	**808**	**100%**	**385**	**385**	**100%**
Workers						
Male	1506	1506	100%	173	173	100%
Female	420	420	100%	35	35	100%
Total	**1926**	**1926**	**100%**	**208**	**208**	**100%**

10. Health and safety management system:

a **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Shaily is an ISO certified organisation which indicates its commitment towards the health and safety of its workers and employees. The Company has a Health, Safety and Environment (HSE) Policy to ensure safe and healthy work environment across all its plants and offices. The policy has a clear instructions and safety protocols for all employees and workers to follow in order to prevent damages to the property and life.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Studies related to Hazard Identification & Risk Assessment (HIRA) is carried out from time to time as per the requirement along with the internal/external audits.

c. **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)** Yes, the Company has a well-established processes to enable workers to report the work related hazards in order to remove themselves from such risks. Workers can approach safety officer and can directly interact with them and give their suggestions. Company also has a EHS committee to address the concerns or provide inputs on safety related matters.

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)** Yes, the employee/worker of the entity have access to non-occupational medical and healthcare services.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	1	0
	Workers	3	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace. Shaily undertakes various measures to ensure the health and safe working environment of its employees and workers. This includes the following measures :

1. Defined Health and Safety policies: The company has defined health and safety policies containing the SOPs' related to health and safety, ensuring employees are aware of the safety protocols.
2. Conducting Fire Fighting Drills and Mock Drills: Company conduct Mock Drills every 6 months and Fire Drills every 2 months. Also, Emergency preparedness training are imparted regularly inclusive of Health and Safety trainings to create awareness among all employees and to prepare employees for emergency situations and reinforce safety practices.
3. Installation of CCTV: CCTV cameras are installed in the entire campus to monitor the physical security and surveillance of the premises.
4. Provision for Safety Gears: Company provides safety gears like safety shoes, goggles, helmet, ear plugs to its employees and workers to protect themselves from potential safety risks
5. Conducting Regular Safety Audits: The Company conducts regular safety audits to evaluate and improve the safety standards within the organisation.
6. Installation of Fire Hydrant System: The Company has installed the fire hydrant systems along with adequate fire extinguishers and fire alarm systems at the place of potential fire break out.
7. The Company provides its employees and workers with access to canteen, drinking water facility and proper sanitary systems resulting into healthy working conditions.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	0	0	0	0
Health & Safety	0	0	0	0	0	0

14. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Workplace activities are closely monitored, regular audits of the workplace are conducted to identify and mitigate risk. Regular training is imparted to all the employees and workers

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees Yes (**B) Workers** Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

A. The company takes all the necessary documents like GST registration certificate, PAN Card, and other relevant documents for registration.

B. The company verifies Income Tax/GST status of the Vendors as per the IT/GST website

C. For registration of contractors, company verifies their PF challans and other statutory returns.

3. **Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

Particulars	Total no. of affected employees/workers		No.of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY (Current Financial Year)	FY (Previous Financial Year)	FY (Current Financial Year)	FY (Previous Financial Year)
Employees	1	0	0	0
Workers	3	0	0	0

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

   Yes. Employees, after retirement age, are considered for advisory roles in the Company only at the discretion of management.

5. **Details on assessment of value chain partners:**

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100%
Working Conditions	100%

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

   Workplace activities are closely monitored, regular audits of the workplace are conducted to identify and mitigate risk. Regular training is imparted to the value chain partners.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.** In a business context, customers, investors and shareholders, employees, suppliers, government agencies, communities, and many others who have a “stake” or claim in some aspect in a company’s products, operations, markets, industry, and outcomes are known as “stakeholders”.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email,SMS, Newspaper, Pamphlets,Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	E-mails, notices, Hotline numbers, Anonymous,complaint box, Survey, Open door policy \Suggestion / Feedback box and Other Communication Mechanism	Daily	Awareness of Company Policies and Procedure
Shareholders/ Investors	No	E-mails, Newspaper, Advertisement, Company & Stock Exchange Website, AGM	Quarterly & Need based	Disclosing Financial Results, sending Annual Reports, Notices for AGM
Customers	No	E-mail and other Communication channels	Need based	Product Awareness

Research Analyst	No	E-mail and other Communication channels	Need based	Product Awareness
Suppliers	No	E-mail/meetings	Need based	Purchase of Packaging material machinery, raw materials etc
Government/ Regulatory agencies	No	E-mail/con-calls/meetings	Need based	On legal amendments,regulations, approvals
Community	Yes	Directly	Need based	Implement CSR activities to support social needs.

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The Management engages in dialogue with stakeholders through various platforms. This platform includes meetings/discussions between the Senior Management and the Stakeholders. By establishing the channels of communication Shaily tries to understand the expectations of stake holders in respect of environment, social and governance.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.** Yes, stakeholder consultation plays an important role in identifying and managing environmental and social topics. The consultation helps Shaily to get feedback from the stakeholders, which in return helps the Company to deeply understand the environmental and social concerns. These inputs are further utilized to formulate robust policies that align with the stakeholders' expectations and industry standards. By involving the stakeholders in the policy making process , the Company confirms that its policies effectively address the key environmental and social issues relevant to its operations.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.** The Company directly or through other Non-Government Organisations actively engages in CSR activities. This includes uplifting the under-privileged sections of society. The Company supports poor and needy students financially by sponsoring their school fees, uniforms etc.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Particulars	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. employees workers covered (B)	% (B / A)	Total (C)	No. employees workers covered (D)	% (D / C)
			EMPLOYEES			
Permanent	530	530	100%	496	496	100%
Other than permanent	278	278	100%	267	267	100%
Total Employees	**808**	**808**	**100%**	**763**	**763**	**100%**
			WORKERS			
Permanent	97	97	100%	95	95	100%
Other than permanent	1829	1829	100%	1194	1194	100%
Total Workers	**1926**	**1926**	**100%**	**1289**	**1289**	**100%**

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% (B /A)	No.(C)	% (C /A)		No.(E)	% (E/D)	No.(F)	% (F/D)
EMPLOYEES										
Permanent	530	0	0%	530	100%	496	0	0%	496	100%
Male	516	0	0%	516	100%	474	0	0%	474	100%
Female	14	0	0%	14	100%	22	0	0%	22	100%
Other than permanent	278	0	0%	278	100%	267	0	0%	267	100%
Male	264	0	0%	264	100%	256	0	0%	256	100%
Female	14	0	0%	14	100%	11	0	0%	11	100%
WORKERS										
Permanent	95	0	0%	95	100%	95	0	0%	95	100%
Male	95	0	0%	95	100%	95	0	0%	95	100%
Female	0	0	0%	0	100%	0	0	0%	0	100%
Other than permanent	1829	1737	94.97%	92	5.03%	1194	1140	95.48%	54	4.52%
Male	1309	1217	92.97%	92	100%	776	722	93%	54	6.95%
Female	520	520	100%	0	100%	418	418	100%	0	0%

3. **Details of remuneration/salary/wages as on March 31, 2023:**

Particulars	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	7	6,47,52,665	2	69,70,951
Key Managerial Personnel	1	36,00,005	1	7,64,600
Employees other than BoD and KMP	471	29,36,46,588	20	1,00,09,644
Workers	391	11,28,51,648	37	95,62,680

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)** Yes, the entity has various Committees such as (Workers, EHS, Canteen, POSH, Grievance) in place for addressing human rights impacts or issues caused or contributed to by the business.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.** There are documented routines and procedures in place to bring up and redress grievance and complaints related to human rights, social, and working conditions related issues such as discrimination, harassment or abuse.

6. **Number of Complaints on the following made by employees and workers:**

Particulars	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	0	0	0	0
Discrimination at workplace	0	0	0	0	0	0
Child Labour	0	0	0	0	0	0
Forced Labour/Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other human rights related issues	0	0	0	0	0	0

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.** The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity & ethical behavior. The Company is committed to developing a culture where it is safe for all employees to raise concerns about any event or misconduct. The entity has a robust Vigil Mechanism Policy/Whistle Blower Policy to safeguard confidentiality of the complainant thereby preventing adverse consequences to the complainant in discrimination and harassment cases.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)** Yes

9. **Assessments for the year:**

Particulars	**% of your plants and offices that were assessed (by entity or statutory authorities or third parties)**
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify **Business ethics, Working hours, Occupational Risks, Insurance, Environmental aspect**	100%

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.** No such case was reported during the year. Policies on Child Labour , Forced and Bonded Labour, Anti-Discrimination, Employment Guidelines, Worker's employment is in place.

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.** No grievances / complaints recorded.

2. **Details of the scope and coverage of any Human rights due diligence conducted.**

   Shaily is committed to upholding and respecting human rights. The Company has Human Rights Policy that guides actions and decisions made. Our policies are in line with the United Nations Guiding Principles on Business and Human Rights, and the Company address and resolve issues related to business and human rights. The Company regularly updates the reforms and changes in Human Rights to the Senior Management Personnel as well as the other personnels. Furthermore, the Company actively promotes the adoption of best practices in human rights among the employees and value chain partners.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?** Yes

4. **Details on assessment of value chain partners:**

Particulars	**% of value chain partners (by value of business done with such partners) that were assessed**
Sexual Harassment	100%
Discrimination at workplace	100%
Child Labour	100%
Forced Labour/Involuntary Labour	100%
Wages	100%
Others – please specify	100%

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.** No such case was reported.

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

Essential Indicators

1. **Details of total energy consumption (in Kilo Joules) and energy intensity, in the following format:**

Particulars	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	98791200000	82371600000
Total fuel consumption (B)	1936800	1728000
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	98793136800	82373328000
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	16.47	13.74
Energy intensity (optional) – the relevant metric may be selected by the entity	N.A.	N.A.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.** Not Applicable

3. **Provide details of the following disclosures related to water, in the following format:**

Particulars	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	5059	0
(ii) Groundwater	76032	83458
(iii) Third party water	8525	3410
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	89616	86868
Total volume of water consumption (in kilolitres)	89616	86868
Water intensity per rupee of turnover (Water consumed / turnover)	0.000015	0.000015
Water intensity (optional) – the relevant metric may be selected by the entity	Not Applicable	Not Applicable

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Name of the agency who is conducting independent assessment/evaluation - No

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

   Yes, the company has implemented a mechanism for Zero Liquid Discharge through setting up of Sewage Treatment Plant/Soak pit in all its plants , except for one plant located in Halol Gujarat.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
Nox	ppmv	0	0
Sox	%	0	0
Particulate matter (PM)	Mg//Nm3	0	0
Persistent organic pollutants (POP)	Ug/Nm3	0	0
Volatile organic compounds (VOC)	Ug/Nm3	0	0
Hazardous air pollutants (HAP)	Ug/Nm3	0	0
Others– please specify	Ug/Nm3	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	209.37	209.7
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs,SF6, NF3, if available)	Metric tonnes of CO2 equivalent	2485.81	22458.63
Total Scope 1 and Scope 2 emissions per rupee of turnover		0	0
Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity		0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

7. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Under Scope 1 Shaily is committed towards reducing the greenhouse gases emissions. The Company has replaced diesel forklifts with electric forklifts on its premises.

Under Scope 2 Shaily is purchasing green energy from third-party renewable energy sources. The company has started working towards energy efficiency measures as a strategic program for the implementation of the most energy efficient technologies as per the industry standards.

8. **Provide details related to waste management by the entity, in the following format:**

Particulars	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	18.45	23.47
E-waste (B)	0	0
Bio-medical waste (C)	0.02	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)		
Cotton waste containing oil	0.19	0.86
Used Oil	0.20	0.87
Other Non-hazardous waste generated (H). Please specify, if any (Break-up by composition i.e. by materials relevant to the sector)		
Packing/Paper Waste	52.41	153.51
Wooden Scrap	95.10	57.01
Total (A+B + C + D + E + F + G + H)	**166.37**	**235.72**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste (Hazardous Waste)		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	0	0
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Shaily is committed to a cleaner environment by procuring renewable source of energy & it's working on the road map by carrying out the following actions to reduce the greenhouse gases emission.

- **The Company has improved energy efficiency continuously by implementing effective energy management programs that support all operations and customer satisfaction while providing a safe and comfortable work environment.**
- **The Company has developed energy improvement plans & manufacture processes with a focus on energy and resource efficiency.**
- **The Company has introduced renewable energy to reduce grid power consumption while reducing CO2 emission to sustain the environment.**
- **The Company has introduced new servo-based injection moulding machines by implementing energy-efficient technology that supports all operations.**
- **The Company is planning to widen opinions for energy sources and minimize the adverse impact of operations on the environment.**
- **The Company has identified and implemented ways to increase staff awareness in regard to energy efficiency and address the key energy impacts of the organization & community at large.**
- **The Company is planning to integrate energy management with engineering plastics business management and establish performance driven goals.**
- **The Company monitors energy use and gains control over energy consumption by reviewing and improving purchasing, operating, motivation, and training practices.**
- **Quantified targets in respect of reduction of Electricity Consumption, Water Consumption has been assigned to respective Functional Heads. Targets are being monitored during the review meetings & performance appraisals.**

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:** No, the Company does not have any office or plant location in the buffer zone or ecologically sensitive area.

S.No.	Location of operations/offices	Type of operations	Whetherthe conditions of environmental approval/ clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Nil	Nil	Nil	Nil

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:** Not Applicable

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Nil	Nil	Nil	Nil	Nil	Nil

12. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:** Yes, the Company is fully compliant with all the environmental laws applicable to it.

S.No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties /action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Nil	Nil	Nil	Nil	Nil

Leadership Indicators

1. **Provide break-up of the total energy consumed (in Kilojoules) from renewable and non-renewable sources, in the following format:**

Particulars	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	101464819200	7380000000
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	101464819200	7380000000
From non-renewable sources		
Total electricity consumption (D)	0	74991600000
Total fuel consumption (E)	1936800	1728000
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	101464819200	74993328000

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. **Provide the following details related to water discharged:**

Particulars	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment-please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment-please specify level of treatment		
(iii) To Seawater		
- No treatment	0	0
- With treatment-please specify level of treatment	0	0
(iv) Sent to third- parties		
- No treatment	0	0
- With treatment-please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment-please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0

Once the wastewater is treated at Sewage Treatment Plant (STP) and is recycled, it serves specific purposes within the plant premises. The treated water used for two purposes mainly:

Gardening: The recycled water is used for the development and maintenance of green areas within the plant premises. This includes watering plants in the gardens and promoting a sustainable and environmentally friendly approach to green landscaping.

Flushing: After undergoing necessary treatment, the treated water is also used for flushing purposes. This ensures that treated water from the STP is effectively utilized, minimizing the need for additional freshwater resources for flushing toilets and other sanitation facilities within the plant.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Not Applicable

3. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

Not applicable as all the facility/plants are located in water abundant area.

For each facility / plant located in areas of water stress, provide the following information: Not Applicable as no facility / plant located in areas of water stress.

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Particulars	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	0	0
Total volume of water consumption (in kilolitres)	0	0
Water intensity per rupee of turnover (Water consumed / turnover)	0	0
Water intensity (optional) – the relevant metric may be selected by the entity	0	0
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	0	0
- With treatment-please specify level of treatment	0	0
(ii) Into Groundwater		
- No treatment	0	0
- With treatment-please specify level of treatment	0	0
(iii) Into Seawater		
- No treatment	0	0
- With treatment-please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment-please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment-please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Not Applicable

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Particulars	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	Not Applicable	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Not Applicable

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.** The facilities of the Company are not located in ecologically sensitive areas.

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:** As a part of renewable energy procurement programme the Company is procuring energy from various renewable sources to reduce CO2 emission to sustain environment

S.No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Engagement into Power Purchase Agreement	Signed long term power purchase agreement (PPA) to procure energy from wind power resources	Promotion of green energy Reduction in GHG emissions
2	Maintaining Zero Liquid Discharge	After recycling water from Sewage Treatment Plant, the treated water is utilized for green development area and flushing purpose	Improving water efficiency
3	Rainwater Harvesting	Collection of rainwater to recharge the ground water by rain harvesting pit	Improving ground water efficiency
4	Installation of energy efficient equipment	Installation of new servo-based injection moulding machines	Reduction in Energy Consumption Reduction in GHG emissions

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.** Yes, the offsite emergency plan is in place for disaster management as a part of a Risk Mitigation Strategy. The Company has an Emergency Response Team (ERT) in place to respond in emergency situations. The Company has fully insured its properties against all natural calamities like fire, flood, earthquake. The Company has installed fire hydrants at the plant location. Fire extinguishers are installed in fire sensitive areas . Fire evacuation and mock drills are carried out at regular intervals to make employees/workers aware of the emergency preparedness. HSE training is also imparted on a regular basis

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.** There is not any adverse impact on the environment, arising from the value chain of the entity.

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.** All registered sub supplier's assessments, including environmental impacts are recorded by the Company on regular basis

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. **a. Number of affiliations with trade and industry chambers/ associations.** 7

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Plast India Foundation	National
2	Organisation of Plastic Processors of India (OPPI)	National
3	Confederation of Indian Industries (CII)	National
4	Plastics Export Promotion Council (PLEXCONCIL)	National
5	Federation of Gujarat Industries (FGI)	State
6	Gujarat Employers Organisation (GEO)	State
7	Baroda Productivity Council (BPC)	State

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.** Not Applicable as there were no adverse orders received from any authority

Name of authority	Brief of the case	Corrective action taken
Nil	Nil	Nil

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
Nil	Nil	Nil	Nil	Nil	Nil

Shaily acknowledges its responsibilities within the democratic and constitutional framework and is fully compliant with the laws and regulations applicable to it. The Company actively engages with different government bodies, regulators, and other legislative entities. The Company is a active member of the various Trade Bodies and Associations. The Company has not advocated any public policy in FY 2022-23.

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.** During FY 2022-23, none of the Company' projects were under ambit of mandated SIA exercises.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes / No)	Relevant Web link
Nil	Nil	Nil	Nil	Nil	Nil

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:** Not Applicable

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Nil	Nil	Nil	Nil	Nil	Nil	Nil

3. **Describe the mechanisms to receive and redress grievances of the community.** The Company interacts with local community at different levels to understand their concerns and act upon them, there is dedicated channel which is managed by the site level HR to receive and redress grievances from the community.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Particulars	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	9%	8%
Sourced directly from within the district and neighbouring districts	27%	27%

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):** Not Applicable

Details of negative social impact identified	Corrective action taken
Nil	Nil

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:** Shaily has always been instrumental in commissioning significant CSR programmes specially in the areas of the operation. However, none of the CSR programmes implemented by Shaily are in aspirational districts and hence this disclosure is not applicable.

S. No.	State	Aspirational District	Amount spent (In ₹)
Nil	Nil	Nil	Nil

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)** Not Applicable as Shaily is a third-party manufacturer and majority of the suppliers are specified by the customer.

   (b) **From which marginalized /vulnerable groups do you procure?** Considering nature and availability of raw materials, company procure raw materials from the best available sources

   (c) **What percentage of total procurement (by value) does it constitute?** Not ascertained

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:** Not Applicable

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Nil	Nil	Nil	Nil	Nil

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.** Not Applicable

Name of authority	Brief of the case	Corrective action taken
Nil	Nil	Nil

6. **Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of persons benefitted from CSR Projects	No. of persons benefitted from CSR Projects
	Nil	Nil	Nil

The detailed CSR Report is given in Annexure B of Boards Report

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.** Complaints are received from respective customers by the sales team which are further forwarded to the quality team. The quality team lodges the complaint in QMS system and investigates the same. Corrective and Preventive Action(CAPA) is being implemented accordingly in concurrence with customer as per agreement with them. Thereafter approved CAPA report is shared with the customer.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Shaily does not have a B2C business model and hence not applicable.
Safe and responsible usage	
Recycling and/or safe disposal	

3. **Number of consumer complaints in respect of the following:**

	FY 2022-23 (Current Financial Year)	Remarks	FY 2021-22 (Previous Financial Year)	Remarks
Data privacy	0	0	0	0
Advertising	0	0	0	0
Cyber-security	0	0	0	0
Delivery of essential services	0	0	0	0
Restrictive Trade Practices"	0	0	0	0
Unfair Trade Practices	0	0	0	0
Other	0	0	0	0

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	0	0
Forced recalls	0	0

Quality is at the very heart of Shaily. The Company leads by an example and employs the best operational and social business practices, the latest technologies, and skilled workers to deliver our promise of first-class quality to customers. The Company has maintained a strong track record in terms of product quality, resulting in zero case of recall. QMS employs a risk-based approach for all processes along with a mix of time tested and cutting-edge techniques to ensure adherence to quality standards, while optimizing operational efficiencies.

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.** Yes, the entity has an IT Security Policy which covers cyber security and risks related to data privacy.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.** No such event(s) was reported during FY 2022-23 hence not applicable.

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).** www.shaily.com

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.** Shaily is a third-party manufacturer (B2B model) and meets all the customer requirements on product level. Hence this is being handled from the customer end

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.** The products and services rendered by Shaily do not fall in the category of essential services and hence this is not applicable.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.** Not Applicable In case of Shaily, all the product information on the products comes under customer purview and the company strictly adheres to all the customer requirements including local laws requirements if any.

5. **Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)** Yes, the customer satisfaction survey is applicable to the entity as a whole and has been performed on a yearly basis.

6. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches along-with impact** No such instances have been reported.

   b. **Percentage of data breaches involving personally identifiable information of customers** No such instances have been reported

Report of Corporate Governance

Company's philosophy

Corporate Governance is an ethically driven business process that is committed to values and conduct aimed at enhancing an organisation's wealth generating capacity. This is ensured by taking ethical business decisions and conducting the business with a firm commitment to values, while meeting stakeholders' expectations. Good governance practices stem from the culture and mindset of the organisation and at Shaily, we are committed to meet the aspirations of all our stakeholders as we believe in adopting best corporate practices for ethical conduct of business. It is well recognised that an effective Board of Directors is a pre-requisite for strong and effective Corporate Governance. Our Board and Committees thereof are formed as per the prevailing regulatory requirements, which oversees how the Management serves and protects the long-term interests of all our stakeholders.

Corporate Governance is more than a set of processes and compliances at Shaily. It underlines the role that we see for ourselves for today, tomorrow and beyond. The Company has laid out guiding principles and communicated through its code of conduct, which is subject to regular audits to ensure controls and compliances are maintained at a high standard. Shaily's philosophy is thus concerned with the ethics, values and morals of the Company and its directors, who act in the best interests of the Company and remain accountable to the stakeholders at large.

Board of Directors

The Board of Directors, closely monitors the performance of the Company and Management, approves the plans, reviews the strategy and strives to achieve organizational growth. The Board ensures statutory and ethical conduct with high quality financial reporting. It holds itself accountable to the shareholders as well as other stakeholders for the long-term well-being of the Company.

a. Composition of Board

- The Board of Directors consists of four (4) Executive Directors from the Promoter Group and five (5) Non-executive Independent Directors. Out of the five (5) Independent Directors, one is a Woman Independent Director. As on 31st March 2023 and on the date of this report, the Board meets the requirement of having at least one-Woman Independent Director and not less than 50% of the Board strength comprises of Non-executive and Independent directors. The Directors are professionals, having expertise in their respective functional areas and bring a wide range of skills and expertise to the Board.
- The Chairman of the Board is an Executive Director. The management of the Company is entrusted to the Managing Director, Mr. Amit Sanghvi, who is assisted by a Core Management Team and Senior Executives having rich experience and expertise in their respective fields.
- Pursuant to the provisions of Section 165(1) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter shall be referred as SEBI Listing Regulations, 2015) none of the Directors hold directorships in more than 20 companies (public or private), 10 public companies, membership of Audit & Stakeholder Relationship Committee(s) in excess of 10 and Chairmanship of Audit & Stakeholders Relationship Committee(s) in excess of 5. None of the Directors serve as Director / Independent Director in more than 7 Listed Companies. None of the Directors who serves as a Whole Time Director/Managing Director in any listed entity serve as an Independent Director in more than three listed Companies.

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

Five (5) Board Meetings were held during the year ended 31st March, 2023 as under:

Sr. No.	Date	Time (IST)
1	30th May 2022	02:55 p.m.
2	6th August 2022	12:05 p.m.
3	12th November 2022	11:40 a.m.
4	24th November 2022	3:00 p.m.
5	8th February 2023	01:55 p.m.

Requisite quorum was present in all the meetings. The time gap between two meetings did not exceed one hundred and twenty days, as per the prevailing regulatory requirements.

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

Name of Director	Category	No. of Directorship(s) [Note a]	No. of Membership in committees (Chairmanship)	Attendance in Board Meetings held in F.Y. 2022-23	Attendance at last AGM	No. of Equity Shares held in the Company as on 31 March 2023
As on 31st March, 2023						
Mr. Mahendra Sanghvi Executive Chairman	Promoter Executive	6	3 (including 1 as Chairman)	5/5	Yes	1,036,335
Mr. Laxman Sanghvi Executive Director	Promoter Executive	2	0	5/5	Yes	476,424
Ms. Tilottama Sanghvi Whole-Time Director	Promoter Executive	1	0	5/5	Yes	1,287,715
Mr. Amit Sanghvi Managing Director	Promoter Group - Executive	1	1	5/5	Yes	60,658
Mr. Milin Mehta	NED (Independent)	12	9 (including 4 as Chairman)	5/5	Yes	Nil
Mr. Ranjit Singh	NED (Independent)	8	3 (including 1 as Chairman)	5/5	Yes	Nil
Dr. Shailesh Ayyangar	NED (Independent)	5	1	5/5	Yes	Nil
Mr. Samaresh Parida	NED (Independent)	3	2 (Including 1 as Chairman)	5/5	Yes	Nil
Ms. Sangeeta Singh	NED (Independent)	5	6 (Including 2 as Chairman)	5/5	Yes	Nil

Notes:

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

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

(c) NED refers to Non-Executive Director.

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

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

Details of directorship in other listed entities of each Director as on 31st March 2023

Name of Director	Category	Name of other listed Companies where Directorship held	Category of Directorship held
Mr. Mahendra Sanghvi Executive Chairman	Promoter Executive	Munjal Auto Industries Ltd	Independent Director
		Integra Engineering Ltd	Independent Director
Mr. Laxman Sanghvi Executive Director	Promoter Executive	No Directorship in other listed entities	Not Applicable
Ms. Tilottama Sanghvi Whole-Time Director	Promoter Executive	No Directorship in other listed entities	Not Applicable
Mr. Amit Sanghvi Managing Director	Promoter Group - Executive	No Directorship in other listed entities	Not Applicable
Mr. Milin Mehta	NED (Independent)	VA Tech WABAG Ltd.	Independent Director
		Styrenix Performance Materials Limited	Independent Director
		5Paisa Capital Ltd.	Independent Director
Mr. Ranjit Singh	NED (Independent)	Polyplex Corporation Ltd.	Independent Director
		VA Tech WABAG Ltd.	Independent Director
Dr. Shailesh Ayyangar	NED (Independent)	No Directorship in other listed entities	Not Applicable
Mr. Samaresh Parida	NED (Independent)	IDBI Bank Limited	Independent Director
Ms. Sangeeta Singh	NED (Independent)	Alkem Laboratories Limited	Independent Director
		Laxmi Organic Industries Limited	Independent Director
		Accelya Solutions India Limited	Independent Director

Key Board qualifications, expertise and attributes

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

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

Key Board Qualification	Board Members								
	Mahendra Sanghvi	Laxman Sanghvi	Tilottama Sanghvi	Amit Sanghvi	Milin Mehta	Ranjit Singh	Shailesh Ayyangar	Samaresh Parida	Sangeeta Singh
	Executive Chairman	Executive Director	Whole Time Director	Managing Director	Independent Director				
Technical prowess in Plastics Engineering with specialized expertise in Plastics Moulding technology	√	√	√	√	-	√	-	-	-
Deep understanding of various facets of raw materials required for best quality of plastics	√	√	√	√	-	√	-	-	-
Financial Acumen	√	√	√	√	√	√	√	√	√
Healthcare Industry knowhow	√	-	-	√	√	-	√	√	√
Strategic Planning	√	√	√	√	√	√	√	√	√

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

c. Confirmation with regards to Independent Directors

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

d. Resignation of Independent Directors, if any.

Ms. Varsha Purandare has resigned from the office of Independent Director of the Company, effective from 29th April 2022 due to personal reasons. It is confirmed by Ms. Varsha Purandare that there are no other material reasons than the reason mentioned in her resignation letter.

e. Relationship between director inter-se

Mr. Mahendra Sanghvi, Executive Chairman is brother of Mr. Laxman Sanghvi, Executive Director; spouse of Ms. Tilottama Sanghvi, Whole Time Director and father of Mr. Amit Sanghvi, Managing Director.

None of the other Directors are related to each other.

f. Selection of Independent Directors

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

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

g. Familiarization programme for Independent Directors

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

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

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

The details of such familiarization programmes for the Independent Directors are available on the website of the Company at weblink https://www.shaily.com/investors/compliances-policies/familiarization-programe

h. Board Meeting Procedures:

The Annual Calendar of Board Meetings of the year is usually considered in the Board Meeting of the last quarter of the previous Financial Year. The notice convening the Board Meeting is sent to each of the Directors along with relevant papers well in advance of the meeting date. The items in the agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. All significant developments and material events are brought to the notice of the Board, either as a part of the agenda papers in advance of the meeting or by way of presentations or circulation of relevant documents during the meeting. The Managing Director, the Chief Financial Officer and the Chief Strategy Officer, briefs the Board on the financial and business performance of the Company during the previous quarter and trend analysis as compared to the budgets, operational performance and market scenario.

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

i. Code of Conduct

The Company has laid down a Code of Conduct for all its Board Members and Senior Management Personnel for avoidance of conflicts of interest. The declarations with regard to its compliance have been received for the F.Y. 2022-23 from all the Board Members and Senior Management Personnel. There were no material financial and commercial transactions in which Board Members or Senior Management Personnel had personal interest, which could lead to potential conflict of interest with the Company during the year. The Code of Conduct can be viewed on the website of the Company at weblink https://static.shaily.com/dWP7hcZHQjC9ueTpqBYt-company-code-of-conduct-policy-pdf

j. Committee meetings

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

Audit Committee

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

a. Composition of Audit Committee

The composition of the Audit Committee of the Company is in line with the provisions of Regulation 18 of SEBI Listing Regulations, 2015 and section 177 of the Companies Act 2013.

Composition of Audit Committee is as follows:

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

**Appointed effective May 30, 2022*

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

b. Terms of Reference

The terms of reference of the Audit Committee are comprehensive and covers the matters specified for Audit Committee under the SEBI Listing Regulations, 2015 and the Companies Act, 2013.

The Committee provides the Board with additional assurance as to the adequacy of Company's internal control systems and financial disclosures. The committee has reviewed the internal audit reports, quarterly, half-yearly and annual standalone and consolidated financial results before their submission and adoption by the board, internal control systems, Related Party Transactions and all other matters covered under SEBI Listing Regulations, 2015 and provisions of the Companies Act, 2013 read with rules made thereunder as and when applicable. In conducting such reviews, the committee found no material discrepancy.

c. Meetings of Audit Committee and Attendance of Members

There were four (4) Audit Committee meetings held during the F.Y. 2022-23, as under:

Sr. No.	Date of Audit Committee Meetings
1	30th May 2022
2	6th August 2022
3	12th November 2022
4	8th February 2023

Name	Number of Meetings held during F.Y. 2022-23	
	Held	Attended
Mr. Milin Mehta (Chairman)	4	4
Mr. Ranjit Singh	4	4
Dr. Shailesh Ayyangar	4	4
Mr. Samaresh Parida*	4	3

**Mr. Samaresh Parida was appointed as Member of the Audit Committee effective 30th May 2022.*

Mr. Milin Mehta, Chairman of the Audit Committee attended the 42nd Annual General Meeting held on 27th August 2022.

The Statutory Auditors, Internal Auditors, Secretarial Auditors, Chief Financial Officer, Chief Strategy Officer, Executive Directors and other senior professionals were invited to the meetings of the Audit Committee. The Company Secretary of the Company acts as the Secretary to the Committee.

Nomination & Remuneration Committee (NRC)

a. Composition of Nomination & Remuneration Committee

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

Constitution of Nomination & Remuneration Committee is as under:

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

b. Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee is to guide the Board in relation to the appointment and removal of Directors, KMP & Senior Management Personnel, identifying persons and to recommend/review remuneration of all the Directors, Key Managerial Personnel (KMP) and Senior Management Personnel.

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

The Nomination & Remuneration Committee met thrice during the F.Y. 2022-23, as under

Name	Number of Meetings held during F.Y. 2022-23	
	Held	Attended
Dr. Shailesh Ayyangar (Chairman)	3	3
Mr. Ranjit Singh	3	3
Mr. Milin Mehta	3	3
Mr. Mahendra Sanghvi	3	3

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

Dr. Shailesh Ayyangar, Chairman of the Nomination & Remuneration Committee attended the 42nd Annual General Meeting held on 27th August 2022.

d. Performance Evaluation

Guided by the prevailing regulatory environment of the SEBI Listing Regulations, 2015 and the Companies Act, 2013, the framework used to evaluate the performance of Independent and the Executive Directors is based on the expectation that they perform their duties in a manner which creates and continues to build sustainable value for the shareholders and in accordance with the duties and obligations abided on them.

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment.

e. Policy on Nomination & Remuneration

Nomination & Remuneration Policy is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve the desired results. Shaily's business model promotes customer centricity and requires employee mobility to address project needs. The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board and separate its functions of governance and management. The policy adheres to the prevailing regulatory requirements of the SEBI Listing Regulations, 2015 and the Companies Act, 2013.

The Company pays remuneration by way of salary, benefits, perquisites and allowances to the Executive Directors including the Managing Director of the Company, as approved by the shareholders, when so required.

The non-executive directors of the Company are Independent Directors, and they are paid sitting fees for attending the meetings of Board and of the Committees.

There has been no change in the Nomination & Remuneration Policy of the Company. It can be viewed at https://static.shaily.com/NVmusaHvSkCkSxPngRsT-sepl-nomination-remuneration-policy-pdf

Risk Management Committee (RMC)

a. Composition of Risk Management Committee

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

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

Name of Director	Acting in committee as	Category
Dr. Shailesh Ayyangar	Chairman	Independent Director
Mr. Ranjit Singh	Member	Independent Director
Mr. Mahendra Sanghvi	Member	Executive Chairman
Ms. Tilottama Sanghvi	Member	Whole Time Director

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

b. Terms of Reference:

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

c. Meetings of Risk Management Committee and Attendance of Members

The Risk Management Committee met twice during the F.Y. 2022-23 at the registered office of the Company on 29th April 2022 and 30th March 2023.

Name	Number of Meetings held during F.Y. 2022-23	
	Held	Attended
Dr. Shailesh Ayyangar (Chairman)	2	2
Mr. Ranjit Singh	2	1
Mr. Mahendra Sanghvi	2	2
Ms. Tilottama Sanghvi	2	1

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

Remuneration of Directors

a. Executive Directors

The details of all elements of remuneration package i.e. salary, benefits, bonus, pension, etc., paid to the Executive Directors for the F.Y. 2022-23 are given below:

(in ₹ lakhs)

Name & Designation of Executive Directors	Salary	Allowances & Perquisites	Company's contribution to funds	Others	Total
Mr. Mahendra Sanghvi Executive Chairman	101.88	58.59	25.82	-	186.29
Mr. Laxman Sanghvi Executive Director	50.96	30.85	13.16	-	94.97
Ms. Tilottama Sanghvi Whole - Time Director	33.96	25.47	4.08	-	63.51
Mr. Amit Sanghvi Managing Director	118.90	72.70	29.55	-	221.15
Total	**305.70**	**187.61**	**72.61**	**-**	**565.92**

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

(b) The Executive Directors and the Company are entitled to terminate the service contracts by giving not less than three months' notice in writing to the other party. There is no provision for payment of severance fees.

(c) The Executive Directors are not paid any performance-linked incentives or commission. The remuneration is paid, as approved by the members, where required. The Company does not have granted any Stock Option Scheme to Directors.

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

b. Non - Executive Directors [NED]

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

None of the Non-Executive Independent Director(s) have any pecuniary relationship or transactions with the Company and/or its associates except Mr. Milin Mehta, where the Company has paid a total of ₹28,16,670 /- to M/s K.C. Mehta & Co., Chartered Accountants, as fees for professional services rendered by the firm to the Company as Goods & Service Tax (GST) consultants and other professional services to the company. Mr. Milin Mehta is a partner in the said firm. The Board does not consider the firm's association with the Company to be of a material nature so as to affect independence of judgment of Mr. Milin Mehta, as an Independent Director of the Company.

Sitting Fees paid to NED during F.Y. 2022-23:

(in ₹ lakhs)

Name of Director	Sitting fees
Mr. Milin Mehta	6,50,000
Mr. Ranjit Singh	8,00,000
Dr. Shailesh Ayyangar	7,75,000
Mr. Samaresh Parida	6,12,500
Ms. Sangeeta Singh	4,00,000
Total	**32,37,500**

Stakeholders' Relationship Committee

a. Composition of Stakeholders' Relationship Committee (SRC)

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

Constitution of Stakeholders' Relationship Committee is as under:

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

**Appointed as Member of SRC effective May 30, 2022.*

Ms. Varsha Purandare ceased to be a member of SRC effective April 29, 2022.

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

b. Meetings of SRC & Attendance

There was one meeting of the Stakeholders' Relationship Committee held during F.Y. 2022-23 on 30th May 2022. All the members attended the meeting.

Ms. Sangeeta Singh, Chairperson of SRC attended the 42nd Annual General Meeting of the Company held on 27th August 2022.

c. Compliance Officer

Ms. Dimple Mehta, Company Secretary is the Compliance Officer of the Company and looks after the compliance of requirements of Securities & Corporate Laws effective November 16, 2022.

Ms. Preeti Sheth, Asst. Company Secretary was the Compliance Officer of the Company till November 15, 2022.

d. Investor grievance redressal

During the F.Y. 2022-23;

No. of complaint received from the shareholder: 01

No. of complaints not solved to the satisfaction of shareholders: Nil

No. of pending complaints: Nil .

Corporate Social Responsibility Committee (CSR Committee)

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of corporate social responsibility policy, recommend amount of expenditure to be incurred on CSR activities, oversee the implementation of CSR projects/programs undertaken by the Company, suggest remedial measures, where required, and monitor the CSR Policy from time to time.

a. Composition of Corporate Social Responsibility Committee

The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013.

Composition of CSR committee:

Name of Director	Acting in committee as	Category
Mr. Ranjit Singh	Chairman	Independent Director
Mr. Laxman Sanghvi	Member	Executive Director
Ms. Tilottama Sanghvi	Member	Whole Time Director

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

b. Meetings of Corporate Social Responsibility Committee and Attendance

There were two meetings of the Corporate Social Responsibility Committee held during F.Y. 2022-23 on 30th May 2022 and 12th November 2022.All members attended both the meetings.

General Body Meetings

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

Financial Year	Location	Date	Time	No. of Special Resolutions passed	Title of Special Resolutions passed
2019-20	Video Conferencing/ Other Audio-Visual means hosted from the registered office of the Company located at Survey No. 364/366, At. & Po. Rania, Tal. Savli, Dist. Vadodara - 391 780, Gujarat	26th September 2020	11:00 a.m. IST	2	1. Re-Appointment of Mr. Amit Sanghvi as a Managing Director for a period of 3 years effective from 1st October 2020 to 30 September 2023. 2. Appointment of Ms. Tilottama Sanghvi as a Whole Time Director for a period of 3 years effective from 1st February 2020 to 31 January 2023.
2020-21	Video Conferencing/Other Audio Visual means hosted from the registered office of the Company located at Survey No. 364/366, At. & Po. Rania, Tal. Savli, Dist. Vadodara - 391 780, Gujarat	14th September 2021	11:30 a.m. IST	4	1. Revision in borrowing limits of the Company under Section 180(1)(a) of the Companies Act, 2013. 2. Revision in borrowing limits of the Company under Section 180(1)(c) of the Companies Act, 2013. 3. To approve raising of funds in one or more tranches by issuance of securities by way of private offerings, qualified institutional placement(s) and/or any combination thereof or any other method as may be permitted under applicable law for an amount not exceeding ₹300 Cr 4. To approve the offer or invitation to subscribe to Equity shares by way of Preferential allotment on a private placement basis.
2021-22	Video Conferencing/Other Audio Visual means hosted from the registered office of the Company located at Survey No. 364/366, At. & Po. Rania, Tal. Savli, Dist. Vadodara - 391 780, Gujarat	27th August 2022	11:00 a.m.	4	1. Appointment of Mr. Samaresh Parida as an Independent Director 2. Appointment of Mrs. Sangeeta Singh as an Independent Director 3. Revision in remuneration to be paid to Mr. Amit Sanghvi, Managing Director, effective from 01st October 2022 4. Re-appointment of Mrs. Tilottama Sanghvi as a Whole Time Director for a period of three (3) years, effective from 01st February 2023

Details of special resolution passed through postal ballot during the F.Y. 2022-23, person who conducted the postal ballot, details of the voting pattern and procedure of postal ballot: Nil

Whether any special resolution is proposed to be conducted through postal ballot: No

Means of Communication

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

General Shareholder Information

S.#	Particulars	Description
a)	Annual General Meeting - Date, Time & Venue	Friday, 29th September, 2023 Through Video Conferencing /Other Audio-Visual Means. Details available in the Notice convening the 43rd Annual General Meeting of the Company.
b)	Financial Year	1st April 2022 to 31st March 2023
	Dividend Payment Date	No Dividend recommended for the F.Y. 2022-23.
c)	Date of Book closure	Friday, 23rd September, 2023 to Friday, 29th September, 2023 (both days inclusive)
d)	Listing on Stock Exchange	BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, Maharashtra, India. National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Plot No. C/1, G Block Bandra Kurla Complex, Bandra (East) Mumbai – 400051 The Company is listed on the NSE effective from 4th April 2022. Requisite listing fees on BSE & NSE for F.Y. 2022-23 has been paid.
e)	Stock Code	BSE Equity: 501423 NSE Equity: SHAILY
f)	Market price data -high, low during each month in F.Y. 2022-23	Please see "Annexure A"
g)	Share performance of the Company in comparison to BSE Sensex	Please see "Annexure B"
h)	In case, securities are suspended from trading, the directors report shall explain the reasons thereof	The securities of the Company have not been suspended from trading anytime during F.Y. 2022-23.

S.#	Particulars	Description
i)	Registrar & Share Transfer Agent	Bigshare Services Pvt. Ltd. Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai 400093 Ph: +91 22 6263 8200 Fax: +91 22 6263 8299 Web: www.bigshareonline.com Email: investor@bigshareonline.coms
j)	Share Transfer system	Effective 1st April 2019, as per SEBI Notification and further amendment, requests for effecting transfer of securities are not processed unless the securities are held in the dematerialised form with the depositories.
		The Stakeholders' Relationship Committee has delegated powers to Registrar and Share Transfer Agents to effect transfer/transmission, name deletion, renewal of shares, dematerialization, etc.
k)	Distribution of shareholding/Shareholding Pattern as on 31st March 2023	Detailed at "Annexure C" to this Report.
l)	Dematerialisation of shares and liquidity	Detailed at "Annexure D" to this Report
m)	Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity	Not applicable
n)	Commodity price risk or foreign exchange risk and hedging activities	Not applicable
o)	Plant Locations	**Rania/Finishing/EOU/Healthcare Plant:** Survey 363, 364, 366, At. & Po. Rania, Tal., Savli, Dist. Vadodara - 391 780 , Gujarat **Halol Plant :** Plot No. 706/707/708, G.I.D.C., Halol - 389 350, Dist. Panchmahal, Gujarat. Halol – II Complex : Survey Nos. 208/1, 209/1p1. 209/2-5, 210/5p1, 212/5, 213/1-3, At. & Po. Chandrapura, Halol – 389 350, Dist. Panchmahal, Gujarat
p)	Address for Correspondence/Investor Correspondence	Company Secretary and Compliance Officer Shaily Engineering Plastics Ltd. Survey 364/366, At. & Po. Rania, Tal. Savli, Dist. Vadodara - 391 780, Gujarat, India Ph: +91 2667 244307/244348/244361 Fax : +91 2667 244372 Web: www.shaily.com Email: investors@shaily.com **Bigshare Services Pvt. Ltd.** Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai 400093 Ph : +91 22 6263 8200 I Fax : +91 22 6263 8299 Web : www.bigshareonline.com I Email : investor@bigshareonline.com Shareholders are advised to address query/request in respect of shares to the RTA. In addition, they may also correspond at the above address. It is further advised to quote their folio number, DP & Client ID number, as the case may be, in all correspondence with it.

S.#	Particulars	Description
q)	Credit Rating	CARE continues to accord the ratings on the bank facilities of the Company as under: Long term facilities - CARE A1 (A One) Short term facilities - CARE A2+ (A Two Plus) On long term bank facilities of ₹270.17 Cr and short-term bank facilities of ₹35.00 Cr The above ratings were re-affirmed by CARE during the year.

Other Disclosures

a. Related Party Transactions

During the year, no materially significant Related Party Transactions, that may have a potential conflict with the interest of the Company at large, have been entered into.

The Board has approved a policy for related party transactions which can be viewed at https://static.shaily.com/GVaUqJvpT5GTnS1aapGH-rpt-policy-pdf

b. Compliance

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

However, there was delay in submission of Unaudited Financial Results for the quarter and half year ended on 30th September 2022 in PDF form with the NSE (Stock Exchange). In view of this, NSE has levied penalty of ₹70,800/- on Company and the same was paid by the Company within stipulated time.

c. Vigil Mechanism/Whistle Blower Policy

The Company has established vigil mechanism for directors, employees and other stakeholders to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethical policy.

The Whistle Blower Policy/Vigil Mechanism is placed at our website at weblink https://static.shaily.com/6YQbFHzPS1eqWAVJ3slk-sepl-vigil-mechanism-policy-pdf

The Company has provided opportunities to encourage employees to become whistleblowers. It has also ensured a mechanism within the same framework to protect them from any kind of harm. It is hereby affirmed that no personnel has been denied access to the Audit Committee.

d. Compliance with mandatory and non-mandatory requirements

The Company complies with all the mandatory requirements of the SEBI Listing Regulations, 2015 with regard to Corporate Governance. Non-mandatory requirements:

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

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

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

e. Policy for determining 'material subsidiaries'

The Company has formed Policy for determining Material subsidiary(ies). The same is available on the website of the Company at weblink https://static.shaily.com/OGWRMpJURrekBnfIVM70-policy-on-material-subsidiary-pdf

f. Disclosure of commodity price risks and commodity hedging activities

The Company is not listed under the Commodity exchange and therefore trading in relation with commodities and commodity hedging is not applicable to the Company.

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

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

h. Independent Directors' Meeting

The Independent Directors met on 20th March 2022 to carry out the evaluation for the F.Y. 2022-23 and inter alia, discussed the following:

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

i. Fees paid to Statutory Auditors

The Company during the year paid an amount of ₹34.94 Lacs to its Statutory Auditor M/s B S R & Associates, LLP, Chartered Accountants and all entities in the network firm/network entity of which statutory auditor is a part. The same is detailed under Note 26 of the Financial Statements for the year ended on 31st March 2023. M/s B S R & Associates, LLP, Chartered Accountants, statutory auditors of the company has not provided any professional services to our subsidiary company.

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

The Company has in place a Policy against Sexual Harassment at workplace in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding Sexual Harassment. All employees (permanent, contractual, temporary and trainees) are covered under this Policy.

No Complaint has been received by the Committee during the Financial Year.

No. of complaints disposed off during the Financial Year and No. of complaints pending as on end of the Financial Year: Not Applicable

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

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

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

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

m. Disclosure of compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations, 2015

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

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

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

Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

As on 31st March 2023, the Company does not have any material subsidiary.

Transfer of Unclaimed Dividend to IEPF:

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

Calendar for transfer of unclaimed dividend to IEPF:

Financial Year	Type of Dividend	Date of Declaration	Amount of Unpaid Dividend	Due for transfer to IEPF
2015-16	Final Dividend	2nd August 2016	₹50,764/-	September 2023
2016-17	Final Dividend	9th September 2017	₹69,975/-	September 2024
2017-18	Final Dividend	13th August 2018	₹88,965/-	September, 2025

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

Details of Unclaimed Suspense Account as per the provisions of Schedule V of the SEBI Listing Regulations, 2015:

Annexure - A

Market Price Data, High and Low during each month in the F.Y. 2022-23:

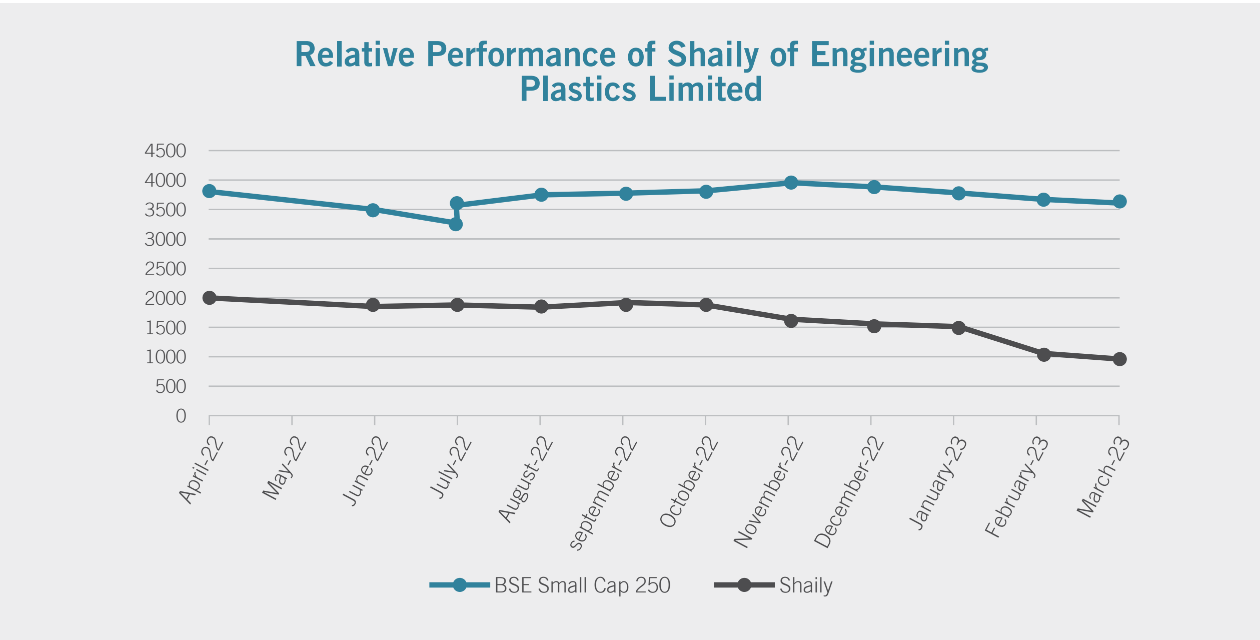
₹ Lakh

Monthly	BSE			NSE		
	High	Low	Close	High	Low	Close
April-22	2323.00	1950.05	2035.65	2060.00	1983.10	2024.05
May-22	2189.95	1500.00	1916.00	1940.00	1831.55	1920.80
June-22	1988.95	1732.00	1895.85	1926.35	1850.00	1900.80
July-22	1990.50	1800.65	1917.70	1944.30	1896.95	1910.35
August-22	2148.60	1800.00	1921.00	1967.00	1912.10	1954.40
September-22	2098.65	1820.95	1936.90	1984.00	1860.05	1941.80
October-22	1942.00	1778.60	1915.25	1964.00	1863.80	1928.80
November-22	1926.70	1529.65	1677.05	1687.90	1650.10	1679.55
December-22	1799.95	1520.00	1578.75	1634.95	1526.10	1584.60
January-23	1680.00	1446.35	1543.65	1548.00	1490.00	1526.60
February-23	1649.00	1041.65	1090.45	1120.05	1064.85	1091.90
March-23	1195.00	870.00	1027.75	1049.95	1018.50	1028.40

Annexure - B

Relative Performance of Shaily Share Price V/S. BSE Small Cap Index:

*Chart indexed to 100



Annexure-C

Distribution of shareholdings as on 31st March 2023 is as under:

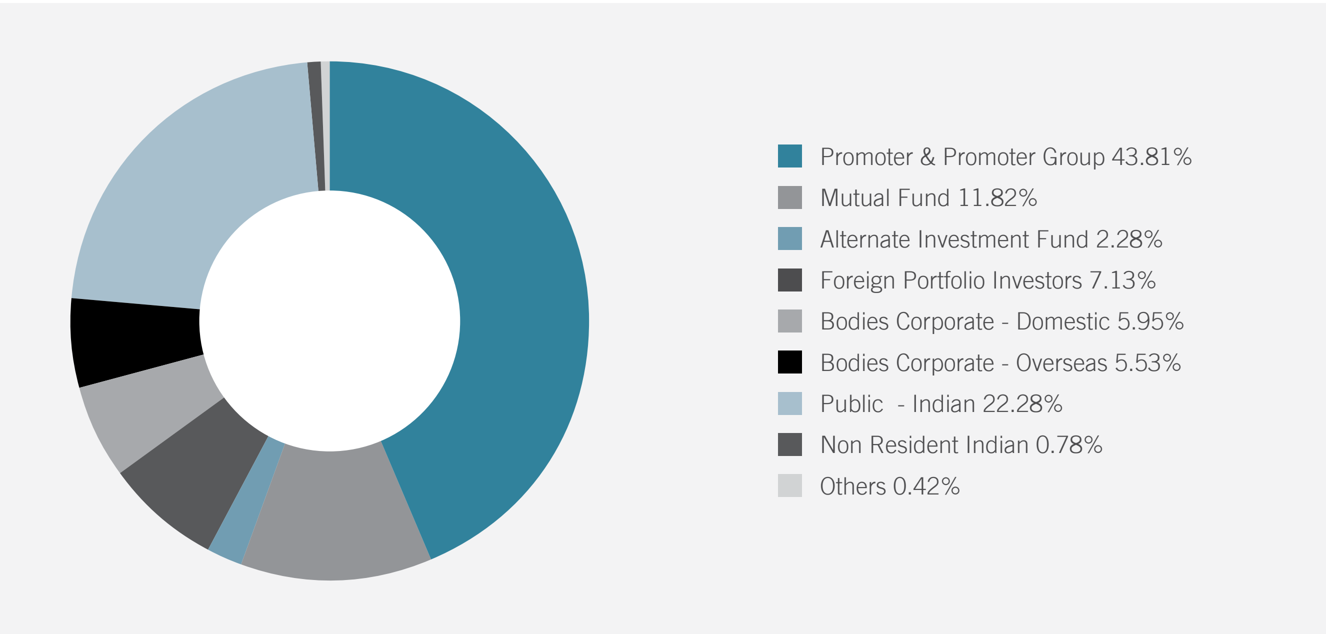
Nominal value of shareholding	Number of shareholders	% of total shareholders	Amount of shares	% of total shares
1-5000	4,904	91.29	33,21,700	3.62
50001-10000	235	4.37	17,63,070	1.92
10001-20000	102	1.90	14,22,150	1.55
20001-30000	40	0.74	9,89,430	1.08
30001-40000	14	0.26	4,86,950	0.53
40001-50000	9	0.17	4,00,030	0.44
50001-100000	21	0.39	16,06,790	1.75
100001-9999999999999999	47	0.88	8,17,44,900	89.11
Total	**5,372**	**100.00**	**9,17,35,020**	**100**

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

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

Shareholding as on 31st March 2023

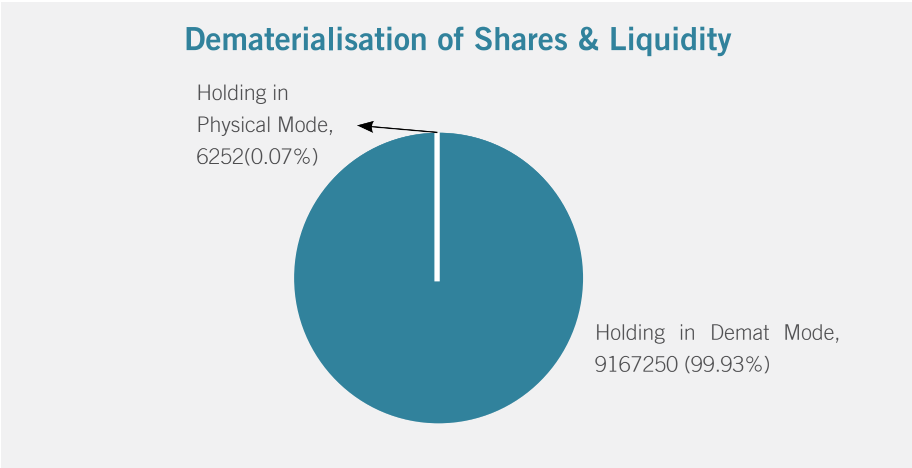
Particulars	As on 31.03.2023	
	%	No. of shares
Promoter & Promoter Group	43.81%	4,018,551
Mutual Fund	11.82%	1,084,364
Alternate Investment Fund	2.28%	208,944
Foreign Portfolio Investors	7.13%	654,270
Bodies Corporate - Domestic	5.95%	545,691
Bodies Corporate - Overseas	5.53%	507,198
Public - Indian	22.28%	2,044,132
Non Resident Indian	0.78%	71,789
Others	0.42%	38,563
8318430	**100.00%**	**9,173,502**



Annexure - D

Dematerialisation of shares and liquidity

Sr. No	Status	Number of Shares	%
1	Holding in Demat mode	9167250	99.93
2	Physical shareholding	6252	0.07
	Total	**91,73,502**	**100.00**



* Previous year (i.e. as on 31st March 2022) - Demat holding was 99.87%

For and on behalf on Board of Directors

Mahendra Sanghvi
Executive Chairman
DIN:00084162

Place: Vadodara
Date: 14th July 2023

Corporate Governance Compliance Certificate

[For the Financial Year ended March 31, 2023 pursuant to Schedule V –
Part E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Members,
Shaily Engineering Plastics Limited

We have examined the compliance of the conditions of Corporate Governance by Shaily Engineering Plastics Limited ("Company") for the Financial Year ended March 31, 2023 ("review period"), as per the relevant provisions of Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations *except that compliance under Regulation 33(3) for the quarter and half year ended on September 30, 2022 and Regulation 21(3C) was not made within time prescribed under Listing Regulations.*

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

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

S. Samdani
Partner

Samdani Shah & Kabra
Company Secretaries
FCS No. 3677 | CP No. 2863

ICSI Peer Review # 1079/2021
ICSI UDIN: F003677E000619985

Place: Vadodara | Date: July 14, 2023

Certificate of Non-Disqualification of Directors

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

The Members,
Shaily Engineering Plastics Limited

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

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company, its officers and representatives, we hereby certify that none of the Directors on the Board of the Company, as stated below for the Financial Year ended on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Director of the Company by the SEBI, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Original Date of Appointment
1.	Mr. Amit Mahendra Sanghvi	00022444	01-10-2011
2.	Mr. Laxman Bhogilal Sanghvi	00022977	09-03-1995
3.	Mr. Mahendra Bhogilal Sanghvi	00084162	09-03-1995
4.	Mr. Milin Kaimas Mehta	01297508	08-11-2014
5.	Mr. Ranjit Singh	01651357	18-05-2019
6.	Mr. Samaresh Parida*	01853823	30-05-2022
7.	Mrs. Sangeeta Kapil Jit Singh*	06920906	30-05-2022
8.	Mr. Shailesh Kripalu Ayyangar	00268076	29-05-2020
9.	Ms. Tilottama Mahendra Sanghvi	00190481	09-03-1995
10.	Mrs. Varsha Vasant Purandare*	05288076	29-05-2020

** Mrs. Varsha Vasant Purandare has resigned from the Directorship effective 29-04-2022 and Mr. Samaresh Parida and Mrs. Sangeeta Kapil Jit Singh have been appointed as an Independent Director effective 30-05-2022.*

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

S. Samdani
Partner

Samdani Shah & Kabra
Company Secretaries
FCS No. 3677 I CP No. 2863

ICSI Peer Review # 1079/2021
ICSI UDIN: F003677E000619985

Place: Vadodara I Date: July 14, 2023

Code of Conduct

The Board has adopted a Code of Conduct for all the Board Members and Senior Management Personnel of the Company and the said Code of Conduct is posted on the website of the Company at www.shaily.com, A declaration signed by the Managing Directors is given below:

"I, Amit Sanghvi, Managing Director of the Company hereby confirm that:

As provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year ended on 31st March 2023.

Amit Sanghvi
Managing Director
DIN: 00022444

Financial Statements

Independent Auditor's Report

To
the Members of
Shaily Engineering Plastics Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Shaily Engineering Plastics Limited** (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matter(s)

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

Description of Key audit matter

Revenue Recognition See Note 20 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
Revenue from the sale of goods and sale of service has been recognised when the control of the goods and service is transferred which is generally in accordance with the terms of sales and service contracts. We have identified the recognition of revenue as key audit matter because revenue is a key performance indicator of the Company, and therefore there is an inherent risk that revenue is overstated to meet financial expectations or targets. The company has various customers with different terms of trade which increase the risk of error in the timing of revenue recognition.	Our procedures included the following : 1. Obtain understanding of and assessing the design, implementation and operating effectiveness of the Company's key internal financial controls in relation to revenue recognition. 2. Inspecting customer contracts, on random sample basis to identify the terms and conditions relating to the transfer of control of the products sold and services provided and assessing the Company's timing of revenue recognition. 3. Identified significant terms and deliverables in contract to assess management's conclusion regarding the (i) identification of distinct performance obligation (ii) Allocating the transaction price to the performance obligation in the contract. 4. Comparing on random sample basis revenue transaction recorded before the financial year end with relevant underlying documents including gate outward register and shipping documents to assess whether revenue from sale of goods has been recognised in the appropriate financial period and 5. Circulation of selected balance confirmation to customers on random sample basis and reconciling the differences if any on amounts confirmed by customer and amounts recorded by management.

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable under the applicable laws and regulations.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 01 April 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

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

B. With respect to the other matters to be included in the 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:

   a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements.

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

   c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 43 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 43 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

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

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

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

Jeyur Shah
Partner
Membership No.: 045754
ICAI UDIN:23045754BGRIJD8203

Place: Vadodara
Date: 20 May 2023

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Shaily Engineering Plastics Limited for the year ended 31 March 2023

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

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

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

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

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

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

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

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

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

Quarter	Name of bank	Particulars	Amount as per books of account (Amount in lakhs)	Amount as reported in the quarterly return/ statement (Amount in lakhs)	Amount of differen ce (Amoun t in lakhs)	Whether return/ st atement subsequ ently rectified
Quarter 1	State Bank of India, Standard Chartered Bank and HDFC Bank Ltd	Current Assets	34,948.98	34,910	38.98	Yes
Quarter 2	State Bank of India, Standard Chartered Bank and HDFC Bank Ltd	Current Assets	33,825.41	33,733	92.41	Yes
Quarter 3	State Bank of India, Standard Chartered Bank and HDFC Bank Ltd	Current Assets	26,113.28	25,995.00	118.28	Yes

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

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

Name of the Company	Type of Investment	Amountin ₹ Lakhs
Shaily UK Limited	Non Convertible Preference Shares	630.03

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

Particulars	Amount in Lakhs
Aggregate amount during the year Others (Employees and Company)	602.92
Balance outstanding as at balance sheet date Others (Employees and Company)	545.34

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

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

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

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion following instances of loans falling due during the year were renewed or extended or settled by fresh loans:

Name of the parties	Aggregate amount of loans or advances in the nature of loans granted during the year (Amount in lakhs)	Aggregate overdue amount settled by renewal or extension or by fresh loans granted to same parties (Amount in lakhs)	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Corvi LED Private Limited	500	500	82.92%

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

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

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

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

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

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of the dues	Period to which the amount relates	Amount demanded (Rs in lakhs)	Forum where dispute is pending	Unpaid Amount(Rs in lakhs)
Central Excise 1944 Act,	Excise duty	2007-08 to 2009-10	52.27	The Hon'ble Supreme Court	52.27
Finance Act, 1944	Service Tax	2007-08 to 2016-17	33.95	Commissioner of Excise and Service Tax (Appeals)	-
Finance Act, 1944	Excise Duty	2009-10	3.22	Additional Commissioner of Excise and Service Tax	3.22
Finance Act, 1944	Service Tax	2009-10 to 2012-13	18.71	Additional Commissioner of Excise and Service Tax	*16.84
The Tax 1961 Income Act,	Income Tax	2007-08	2.46	Commissioner of Income Tax (Appeal)	2.46
The Tax 1961 Income Act,	Income Tax	2009-10	1.78	Income Tax Appellate Tribunal	1.78
Gujarat Value Added Tax, 2003	VAT	1996-97, 1997-98	5.74	Commercial Tax Dept, Halol	5.74
Customs Act, 1962	Custom Duty	2009-10 to 2017-18	97.84	Commissioner of Customs (Appeals), Mumbai	*-
Finance Act, 1944	Service Tax	2014-17	185.74	Commissioner Appeals, CGST / Central Excise, Vadodara	*165.55
Finance Act, 1944	Service Tax	2015-18	8.18	Commissioner Appeals, CGST / Central Excise, Vadodara	*7.36

**Net of amount paid under protest*

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

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

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

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

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

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary (as defined under the Act).

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

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

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

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

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

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

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

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

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

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

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

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

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

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

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

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in Annual report is expected to be made available to us after the date of this auditor's report.

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

(b) In Respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act

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

Jeyur Shah
Partner
Membership No.: 045754
ICAI UDIN:23045754BGRIJD8203

Place: Vadodara
Date: 20 May 2023

Annexure B to the Independent Auditor's Report on the standalone financial statements of Shaily Engineering Plastics Limited for the year ended 31 March 2023

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Shaily Engineering Plastics Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Jeyur Shah
Partner
Membership No.: 045754
ICAI UDIN:23045754BGRIJD8203

Place: Vadodara
Date: 20 May 2023

Standalone Balance Sheet as at March 31, 2023

(in ₹ lakhs)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
a) Property, plant and equipment	3	34,746.50	32,210.32
b) Capital work-in-progress	3A	4,897.81	1,612.07
c) Right-of-use asset	3B	112.99	160.25
d) Other intangible assets	4	1,383.10	491.40
e) Intangible assets under development	4A	569.28	1,250.19
f) Financial assets			
i. Investments	5	1,541.91	911.88
ii Other financial assets	6	47.08	341.91
g) Income tax assets (net)		208.24	197.45
h) Other non-current assets	7	1,720.62	1,001.07
Total non-current assets		**45,227.53**	**38,176.54**
Current assets			
a) Inventories	8	7,297.47	11,142.53
b) Financial assets			
i. Trade receivables	9	8,879.39	9,986.19
ii. Cash and cash equivalents	10	1,768.57	3,135.49
iii. Bank balances other than cash and cash equivalents	11	390.48	1,191.15
iv. Loans	12	545.34	24.62
v. Other financial assets	6	437.32	479.92
c) Other current assets	7	3,918.22	3,425.20
Total current assets		**23,236.79**	**29,385.10**
TOTAL ASSETS		**68,464.32**	**67,561.64**
EQUITY AND LIABILITIES			
EQUITY			
a) Equity share capital	13(a)	917.35	917.35
b) Other equity	13(b)	38,646.03	35,781.67
TOTAL EQUITY		**39,563.38**	**36,699.02**
LIABILITIES			
Non-current liabilities			
a) Financial liabilities			
i. Borrowings	14	6,253.46	10,159.47
ii. Lease Liability	28	77.76	120.61
iii. Other financial liabilities	19	33.86	105.56
b) Provisions	16	233.16	182.16
c) Deferred tax liabilities (Net)	27(c)	1,686.47	1,321.59
d) Other non-current liabilities	17	10.19	172.98
Total non-current liabilities		**8,294.90**	**12,062.37**
Current liabilities			
a) Financial liabilities			
i. Borrowings	15	12,324.83	7,220.35
ii. Lease Liability	28	38.20	44.38
iii. Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	18	505.98	958.84
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	18	4,668.32	7,443.64
iv. Other financial liabilities	19	1,035.77	776.09
b) Other current liabilities	17	1,912.86	2,267.27
c) Provisions	16	120.08	89.68
Total current liabilities		**20,606.04**	**18,800.25**
TOTAL LIABILITIES		**28,900.94**	**30,862.62**
TOTAL EQUITY AND LIABILITIES		**68,464.32**	**67,561.64**

Notes forming part of the Financial Statements 1-46

In terms of our report attached
For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231 W/W-100024

Jeyur Shah
Partner
Membership No: 045754

Vadodara
May 20,2023

For and on Behalf of the Board of Directors
Shaily Engineering Plastics Limited
CIN : L51900GJ1980PLC065554

Mahendra Sanghvi
Executive Chairman
DIN: 00084162

Amit Sanghvi
Managing Director
DIN: 00022444

Ashish Somani
Chief Financial Officer

Dimple Mehta
Company Secretary

Vadodara
May 20,2023

Standalone Statement of Profit & Loss for the year ended March 31, 2023

(in ₹ lakhs)

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	20	59,970.82	56,585.20
Other income	21	450.44	882.70
Total income		**60,421.26**	**57,467.90**
Expenses			
Cost of materials consumed	22(a)	36,822.55	37,845.53
Changes in inventories of finished goods and work-in-progress	22(b)	1,825.64	(2,154.62)
Power and fuel		2,638.88	2,692.17
Employee benefits expense	23	4,721.20	4,320.30
Finance costs	24	1,788.23	1,694.48
Depreciation and amortization expense	25	3,317.84	2,649.43
Other expenses	26	5,301.75	5,779.85
Total expenses		**56,416.09**	**52,827.14**
Profit before tax		**4,005.17**	**4,640.76**
Income tax expense			
- Current tax	27	595.45	833.60
- Tax expense for earlier periods	27	-	9.77
- Deferred tax	27	410.31	283.38
Total tax expense		**1,005.76**	**1,126.75**
Profit for the year		**2,999.41**	**3,514.01**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post employment benefit obligations		(149.50)	(20.96)
- Income tax relating to above.		37.63	5.28
Items that will be reclassified to profit or loss			
- Effective portion of gains on hedging instrument in cash flow hedges		(31.00)	63.64
- Income tax relating to above		7.80	(16.02)
Other Comprehensive Income net of income tax for the year		**(135.07)**	**31.94**
Total Comprehensive Income for the year		**2,864.34**	**3,545.95**
Earning per Equity Share (Face value of 10 each)			
Basic and Diluted	37	32.70	39.80

Notes forming part of the Financial Statements 1-46

In terms of our report attached
For B S R & Associates LLP
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Jeyur Shah
Partner
Membership No: 045754

Vadodara
May 20,2023

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DIN: 00084162

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Managing Director
DIN: 00022444

Ashish Somani
Chief Financial Officer

Dimple Mehta
Company Secretary

Vadodara
May 20,2023

Standalone Statement of Cash Flow for the year ended March 31, 2023

(in ₹ lakhs)

	Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
A	Cash flow from operating activities			
	Profit before tax		4,005.17	4,640.76
	Adjustments for:			
	Depreciation and amortization expense	25	3,317.84	2,649.43
	Loss/(Gain) on sale of property, plant and equipment	26	0.83	(2.70)
	Interest income	21	(282.05)	(225.27)
	Interest Income on Income Tax refund	21	(7.88)	-
	Interest component on account of Fair valuation of loan		(134.70)	(77.83)
	Provision of slow and non moving inventory	8	128.26	70.48
	Finance costs	24	1,788.23	1,694.48
	Allowance for expected credit losses on trade receivable	26	35.36	109.15
	Mark to Market Loss on Derivative Contracts	26	149.29	-
	Net unrealised exchange loss/(gain)	21	48.19	(141.77)
	Sundry balances written off/ written back		-	87.46
	Operating profit before working capital changes		**9,048.54**	**8,804.19**
	Adjustments for:			
	Increase in trade receivables	9	1,071.45	(3,141.92)
	Increase /(decrease) in other receivables and advances	7	(1,003.23)	(240.66)
	Increase in inventories	8	3,716.80	(4,526.15)
	Increase in other financial assets	6	200.55	166.77
	Increase/(decrease) in trade payables	18	(3,276.37)	3,743.64
	Increase/(decrease) in other liabilities and provisions	17	(687.91)	1,431.52
	Cash generated from operations		**9,069.83**	**6,237.39**
	Taxes paid (net of refunds)		(598.36)	(640.89)
	Net cash generated from operating activities		**8,471.47**	**5,596.50**
B	Cash flow from investing activities			
	Payment for purchases of property, plant and equipment (including capital advances and capital creditors)	3	(9,409.91)	(11,077.10)
	Payment for purchases of intangibles and Intangibles under development		(363.36)	(564.26)
	Proceeds from disposal of property, plant and equipment	3	7.36	6.50
	Payment for Investment in Subsidiary		(630.03)	(911.80)
	Interest received	21	269.65	155.07
	Proceeds/(Investment) in fixed deposit (Net)	11	800.68	(997.78)
	Net cash flow (used in) investing activities		**(9,325.61)**	**(13,389.37)**
C	Cash flow from financing activities			
	Proceeds from long term borrowings		-	1,380.00
	Repayment of long term borrowings		(3,817.24)	(2,706.09)
	Proceeds/(Repayment) of working capital loans (net)		4,997.36	(1,181.30)
	Proceeds from issue of preferential share capital		-	14,966.51
	Repayment on lease liabilities		(60.42)	(49.10)
	Finance costs paid	24	(1,632.44)	(1,581.42)
	Net cash flow (used in)/generated from financing activities		**(512.74)**	**10,828.60**
D	Net (decrease)/ increase in cash and cash equivalents		**(1,366.88)**	**3,035.73**
	Cash and cash equivalents as at beginning of the year		3,135.49	98.25
	Impact of exchange loss		(0.04)	1.51
	Cash and cash equivalents as at end of the year		**1,768.57**	**3,135.49**

Standalone Statement of Cash Flow for the year ended March 31, 2023

(in ₹ lakhs)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Reconciliation of cash and cash equivalents as per financial statement :			
Cash and cash equivalents comprise :			
a) Balances with banks			
In current accounts		6.11	180.12
In EEFC accounts		55.03	152.43
b) Cash on Hand		7.43	2.94
c) Deposits with bank (Original maturity less than 3 Months)		1,700.00	2,800.00
Total		**1,768.57**	**3,135.49**

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

(ii) Change in Liabilities arising from Financing Activities:

Analysis of changes in net debt	As at March 31, 2022	Cash inflow/ (outflow)	Non - cash		As at March 31, 2023
			Fair value adjustments (including foreign exchange rate movements)	Others on account of debt issuance cost	
Current Borrowings (including Cash Credit/ Packing Credit)	3,305.87	4,997.36	-	-	8,303.23
Non-Current Borrowings (including current maturities of Non-Current Borrowings)	14,073.96	(3,817.24)	-	18.34	10,275.06
Net debt	**17,379.83**	**1,180.12**	**-**	**18.34**	**18,578.29**

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

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

In terms of our report attached
For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231 W/W-100024

Jeyur Shah
Partner
Membership No: 045754

Vadodara
May 20,2023

For and on Behalf of the Board of Directors
Shaily Engineering Plastics Limited
CIN : L51900GJ1980PLC065554

Mahendra Sanghvi
Executive Chairman
DIN: 00084162

Amit Sanghvi
Managing Director
DIN: 00022444

Ashish Somani
Chief Financial Officer

Dimple Mehta
Company Secretary

Vadodara
May 20,2023

Standalone Statement of Changes in Equity for the year ended March 31, 2023

Equity share capital

(in ₹ lakhs)

Particulars	Amount
As at April 01,2021	831.84
Changes in equity share capital	85.51
As at March 31,2022	917.35
Changes in equity share capital	-
As at March 31,2023	**917.35**

Other equity

Particulars	Reserves and surplus				Other components of Equity	Total other equity
	Securities premium	General reserve	Capital reserve	Retained earning	Cash flow hedge reserve	
As at April 01,2021	**3,207.51**	**191.58**	**92.91**	**13,825.39**	**37.32**	**17,354.72**
*Addition during the year	14,881.01	-	-	-	-	14,881.01
Profit for the year	-	-	-	3,514.01	-	3,514.01
Other comprehensive income/(Loss) (Net of tax)	-	-	-	(15.68)	47.62	31.94
Total comprehensive income for the year	**14,881.01**	**-**	**-**	**3,498.32**	**47.62**	**18,426.96**
As at March 31,2022	**18,088.52**	**191.58**	**92.91**	**17,323.72**	**84.94**	**35,781.67**
As at April 01,2022	**18,088.52**	**191.58**	**92.91**	**17,323.72**	**84.94**	**35,781.67**
Profit for the year	-	-	-	2,999.41	-	2,999.41
Other comprehensive income/(Loss) (Net of tax)	-	-	-	(111.87)	(23.19)	(135.07)
Total comprehensive income for the year	**-**	**-**	**-**	**2,887.54**	**(23.19)**	**2,864.34**
As at March 31,2023	**18,088.52**	**191.58**	**92.91**	**20,211.26**	**61.75**	**38,646.03**

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

Nature and purpose of other reserves

1. Securities premium

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

Standalone Statement of Changes in Equity for the year ended March 31, 2023

2. General reserve

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

3. Capital reserve

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

4. Cash flow hedge reserve

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

5. Retained earnings

   Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

In terms of our report attached
For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231 W/W-100024

Jeyur Shah
Partner
Membership No: 045754

Vadodara
May 20,2023

For and on Behalf of the Board of Directors
Shaily Engineering Plastics Limited
CIN : L51900GJ1980PLC065554

Mahendra Sanghvi
Executive Chairman
DIN: 00084162

Amit Sanghvi
Managing Director
DIN: 00022444

Ashish Somani
Chief Financial Officer

Dimple Mehta
Company Secretary

Vadodara
May 20,2023

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

Note 1: Corporate Information

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

Note 2 - I: Significant accounting policies

a) Basis of preparation and measurement

i) Compliance with Ind AS

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

ii) Historical cost convention

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

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

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

b) Segment reporting

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

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

c) Foreign currency transactions and translations

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

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

d) Revenue and income recognition

Revenue from contracts with customers

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

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

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

Variable consideration:

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

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

consideration is subsequently resolved. It is reassessed at end of each reporting period.

Contract balances

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

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

Interest Income:

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

Government grants

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

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

Export incentives

Export incentive available under prevalent scheme is accrued in the year when the right to receive credit as per the term of scheme is established in respect of exports made and accounted to the extent there is no significant uncertainty about the measurability and ultimate utilization of such duty credit. The same forms part of other non operating income of the Group.

e) Income tax

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

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

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

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

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

f) Leases

Ind AS 116 – Leases:

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

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

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

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

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

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

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

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

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

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

g) Impairment of assets

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

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

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

h) Cash and cash equivalents

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

i) Inventories

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

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

j) Financial assets and liabilities

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

Financial assets

Initial recognition and measurement

A financial asset is recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. All financial assets are recognised initially at

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial assets. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

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

a) Financial assets measured at amortised cost;

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

c) Financial assets measured at fair value through statement of profit and loss (FVTPL).

The Company classifies its financial assets in the above mentioned categories based on:

a) The Company's business model for managing the financial assets;

b) The contractual cash flows characteristics of the financial asset.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

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

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

a) The financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets; and

b) The asset's contractual cash flows represent SPPI.

Financial assets measured at fair value through the statement of profit and loss (FVTPL)

FVTPL is a residual category. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a) The contractual rights to the cash flows from the financial asset have expired, or

b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through 'arrangement; and either:

   i) The Company has transferred substantially all the risks and rewards of the asset, or

   ii) The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Impairment of financial assets

The Company assesses impairment based on expected credit loss (ECL) model to the following:

a) Financial assets measured at amortised cost;

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

Expected credit losses are measured through a loss allowance at an amount equal to:

a) The 12 month's expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

b) Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows a 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

expected life of the trade receivable which is adjusted for management's estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value.

The Company's financial liabilities include trade and other payables.

Subsequent measurement

a) Financial liabilities measured at amortised cost;

b) Financial liabilities subsequently measured at fair value through statement of profit and loss (FVTPL)

Trade and other payables

These amounts represent liability for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when, and only when, there is a legally enforceable right to offset the recognised amount and there is intention either to settle on net basis or to realise the assets and to settle the liabilities simultaneously.

k) Property, plant and equipment

Recognition and measurement

Items of PPE are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Capital work-in-progress is stated at cost. All the direct expenditure related to implementation including incidental expenditure incurred during the period of implementation of a project, till it is commissioned, is accounted as Capital work-in-progress and after commissioning the same is transferred / allocated to the respective item of PPE. Pre-operative costs, being indirect in nature, are expensed to the Statement of Profit and Loss as and when incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Any gain or loss on disposal of an item of PPE is recognised in the Statement of Profit and Loss.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation methods, estimated useful lives and residual value.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives which are in accordance with Schedule II to the Companies Act, 2013. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other incomes/expenses.

Classes of assets and their estimated useful lives:

Nature	Useful Life
Temporary Structure	3
Factory Building	30
Plant & Machinery	5-15
Tools and Equipments	5-15
Electrical Installation	10
Furniture & Fixtures	10
Office equipment	5
Computer Hardware	3
Vehicles	8

l) Intangible assets

Recognition and measurement

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Statement of Profit and Loss as incurred.

Amortisation

Intangible assets are amortised over the estimated period of benefit i.e. 3 to 10 years.

m) Intangible assets under development

The Company expenses costs incurred during research phase to profit or loss in the year in which they are incurred. Development phase expenses are initially recognised as intangible assets under development until the development phase is complete, upon which the amount is capitalised as intangible asset.

n) Borrowings costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

o) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursements.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

a) A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;

b) A present obligation arising from the past events, when no reliable estimate is possible;

c) A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

p) Employees Benefits

(i) Short-term obligations

Liabilities for wages and salaries and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Long-term obligations

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service and measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields on government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity, and
- defined contribution plans such as provident fund and superannuation fund

a) Defined benefit plans

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

Remeasurements of net defined benefit liability which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of asset ceiling (if any excluding interest) are recognized in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of the contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost or past service gain') or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on settlement of a defined benefit plan when the settlement occurs.

b) Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds and employee state insurance corporation (ESIC) as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Superannuation Fund Contribution towards superannuation fund for qualifying employees as per the Company's policy is made to Life Insurance Corporation of India where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from contribution made on monthly basis.

q) Dividend

The Company recognises a liability to pay dividend to equity holders when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

r) Earnings per share

Basic earning per share is calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share, adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

s) Rounding of amounts

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest lakhs upto two decimals as per the requirement of Schedule III, unless otherwise stated.

t) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the standalone statement of profit and loss.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

u) Derivative and Hedging Activities

The Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations associated with borrowings (cash flow hedges). When the Company opts to undertake hedge accounting, the Company documents, at the inception of the hedging transaction, the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows or fair values of hedged items. The Company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges, is recognized through OCI and as cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in equity are reclassified to the Statement of Profit and Loss on settlement.

When the hedged forecast transaction results in the recognition of a non-financial asset, the amounts accumulated in equity with respect to gain or loss relating to the effective portion of the spot component of forward contracts, both the deferred hedging gains and losses and the deferred aligned forward points are included within the initial cost of the asset. The deferred amounts are ultimately recognised in the Statement of Profit and Loss as the hedged item affects profit or loss. When a hedging instrument expires, is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively and any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

and deferred costs of hedging that were reported in equity are immediately transferred to the Statement of Profit and Loss.

Note 2 - II: Use of estimates and judgements

The preparation of standalone financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

The area involving critical estimates or judgements is:

- **Employee benefit plans**

  The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

- **Embedded lease arrangement**

  The Mould required with respect to the arrangement with customer for customize manufacturing, is identified as embedded lease arrangement, as per Note 41, considering commitment by the customer in agreement with the company. Over this period, customer commits to purchase definite quantity of product from the company at fixed price per unit, failing which customer commits to pay to the company for the unsold quantity of the product) at such fixed rate per unit.

- Useful lives and residual value of property, plant and equipment

  The Company reviews the useful life and residual value of property, plant and equipment at the end of each reporting period. This reassessment may result in a change in depreciation expense in future periods.

- **Expected Credit Loss**

  In accordance with Ind AS 109, the Company follows 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL). The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

- **Income taxes**

  Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

  New and revised Indian Accounting Standards in issue but not yet effective*

  Following are the amendments to existing standards (as notified by Ministry of Corporate Affairs (MCA) on 31st March 2023) which are effective for annual periods beginning after 1st April 2023. The Company intends to adopt these standards or amendments from the effective date, as applicable and relevant. These amendments are not expected to have a significant impact on the Company's standalone financial statements. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the company when it will adopt the respective standards.

  Amendments to Ind AS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction:

  Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying Ind AS 116 Leases at the commencement date of a lease. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

liability should also be recognized for all deductible and taxable temporary differences associated with leases and decommissioning obligations. The Company does not expect the amendment to have a significant impact in its financial statements.

Amendments to Ind AS 1 Presentation of Financial Statements – Disclosure of Accounting Policies:

The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The supporting paragraph in Ind AS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Company does not expect the amendment to have a significant impact in its financial statements.

Amendments to Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors— Definition of Accounting Estimates:

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The Company does not expect the amendment to have a significant impact in its financial statements.

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

Note 3 - Property, plant and equipment

(in ₹ lakhs)

Particulars	Freehold Land	Leasehold Land (Refer note i)	Buildings	Plant and Machinery	Plant and Machinery - R&D	Electrical Installations	Electrical Installations - R&D	Tools and Equipment	Tools and Equipment - R&D	Furniture and Fixtures	Office Equipment	Computer Hardwares	Roads	Vehicles	Total (A)	Capital work-progress (B)
Gross carrying amount as April 01,2021	1,880.57	9.20	6,824.81	13,837.52	199.17	1,369.58	3.76	4,192.37	80.95	248.68	137.98	218.55	20.36	647.26	29,670.76	2,305.49
Additions	-	-	3,004.08	5,926.66	-	425.08	-	2,877.19	-	199.10	69.01	75.27	-	30.25	12,606.64	11,943.42
Disposals/Capitalisation	-	-	-	(19.85)	-	-	-	-	-	-	-	-	-	(44.96)	(64.81)	(12,636.84)
Cost as at March 31,2022	**1,880.57**	**9.20**	**9,828.89**	**19,744.33**	**199.17**	**1,794.66**	**3.76**	**7,069.56**	**80.95**	**447.78**	**206.99**	**293.82**	**20.36**	**632.55**	**42,212.59**	**1,612.07**
Accumulated Depreciation as at April 01,2021	-	-	712.14	5,293.82	11.01	407.20	0.33	648.69	4.04	127.22	56.37	111.59	17.33	195.30	7,585.04	-
Depreciation for the period	-	-	282.07	1,498.14	-	149.24	-	356.28	-	27.42	27.58	60.40	0.67	76.44	2,478.24	-
Disposals	-	-	-	(27.19)	-	-	-	-	-	-	-	-	-	(33.82)	(61.01)	-
Accumulated Depreciation as at March 31,2022	**-**	**-**	**994.21**	**6,764.77**	**11.01**	**556.44**	**0.33**	**1,004.97**	**4.04**	**154.64**	**83.95**	**171.99**	**18.00**	**237.91**	**10,002.27**	**-**
Net carrying amount as at March 31,2022	**1,880.57**	**9.20**	**8,834.68**	**12,979.56**	**188.16**	**1,238.23**	**3.43**	**6,064.59**	**76.91**	**293.15**	**123.03**	**121.82**	**2.36**	**394.63**	**32,210.32**	**1,612.07**
Gross carrying amount as April 01,2022	1,880.57	9.20	9,828.89	19,744.33	199.17	1,794.66	3.76	7,069.56	80.95	447.78	206.99	293.82	20.36	632.55	42,212.59	1,612.07
Additions	-	-	680.84	2,237.19		81.84	-	2,353.92	-	174.83	31.24	42.33	60.18	-	5,662.36	8,948.10
Disposals/Capitalisation	-	-	-	(79.74)		-	-	-	-	-	-	-	-	(42.45)	(122.19)	(5,662.36)
Cost as at March 31,2023	**1,880.57**	**9.20**	**10,509.73**	**21,901.78**	**199.17**	**1,876.50**	**3.76**	**9,423.48**	**80.95**	**622.60**	**238.23**	**336.15**	**80.55**	**590.09**	**47,752.76**	**4,897.81**
Accumulated Depreciation as at April 01, 2022	-	-	994.21	6,764.77	11.01	556.44	0.33	1,004.97	4.04	154.64	83.95	171.99	18.00	237.91	10,002.26	-
Depreciation for the year	-	-	340.70	1,861.41	-	168.97	-	506.81	-	45.65	36.68	64.41	14.41	78.98	3,118.02	-
Disposals	-	-		(75.77)	-	-	-	-	-	-	-	-	-	(38.25)	(114.02)	-
Accumulated Depreciation as at March 31,2023	**-**	**-**	**1,334.91**	**8,550.41**	**11.01**	**725.41**	**0.33**	**1,511.78**	**4.04**	**200.29**	**120.63**	**236.40**	**32.42**	**278.64**	**13,006.26**	**-**
Net carrying amount as at March 31,2023	**1,880.57**	**9.20**	**9,174.82**	**13,351.37**	**188.16**	**1,151.09**	**3.43**	**7,911.70**	**76.91**	**422.31**	**117.60**	**99.75**	**48.13**	**311.45**	**34,746.50**	**4,897.81**

Notes:

(i) The company has acquired land for 99 years lease with an option to continue for another 99 years.

(ii) Refer note 39 for assets pledged as security.

(iii) Refer note 35 for disclosure of contractual obligations for acquisition of plant, property and equipment.

(iv) Addition includes borrowing cost of ₹ Nil (March 31, 2022: ₹97.25 Lakhs) capitalised using the rate base on specific borrowings ranging from 7.20% to 9.06%.

(v) Capital work in progress for the year ended March 31, 2023 and March 31, 2022 includes mainly plant & machinery, tools and equipments, building, electrification and preoperative expenses for New business projects expansion.

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

Note 3A - Capital-Work-in Progress (CWIP) ageing Schedule for the year ended:

As on March 31,2023:

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	4,897.81	-	-	-	4,897.81
Projects temporarily suspended	-	-	-	-	-
Total	**4,897.81**	**-**	**-**	**-**	**4,897.81**

As on March 31,2022:

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	1,604.62	7.45	-	-	1,612.07
Projects temporarily suspended	-	-	-	-	-
Total	**1,604.62**	**7.45**	**-**	**-**	**1,612.07**

Note:

The projects mentioned above are expected to be completed as per plan and there are no projects which are overdue or has exceeded its cost compared to its original plan.

Note 3B - Right-of-use assets

(in ₹ lakhs)

	Buildings	Total
Gross carrying amount as April 01,2022	201.98	201.98
Additions during the year	-	-
Deductions / Adjustments during the year	-	-
Gross carrying amount as at March 31,2023	**201.98**	**201.98**
Accumulated depreciation as at April 01, 2022	41.73	41.73
Depreciation for the year	47.26	47.26
Deductions during the year	-	-
Accumulated depreciation as at March 31,2023	88.99	88.99
Net carrying amount as at March 31,2023	**112.99**	**112.99**
Gross carrying amount as April 01,2021	-	-
Additions during the year	201.98	201.98
Deductions / Adjustments during the year	-	-
Gross carrying amount as March 31,2022	**201.98**	**201.98**
Accumulated depreciation as April 01,2021	-	-
Depreciation for the year	41.73	41.73
Deductions during the year	-	-
Accumulated depreciation as March 31, 2022	41.73	41.73
Net carrying amount as at March 31, 2022	**160.25**	**160.25**

(i) Lease contracts entered by the Company majorly pertains to building taken on lease to conduct its business in the ordinary course.

(ii) Lease expenses of ₹17.75 Lakhs and ₹39.06 lakhs recognised in statement of profit and loss in other expenses for the year ended March 31, 2023 and March 31, 2022 respectively towards short-term leases, lease of low value assets and variable lease rental not included in measurement of lease liability.

(iii) Extension and termination options are included in some of the lease contracts. These are used to maximise operational flexibility in terms of managing assets used in Company's operations.

(iv) Lease obligations, interest expense on lease, maturity profile of lease obligation and payment of lease obligations are disclosed respectively in Balance Sheet, Finance cost, Liquidity risks and statement of cash flows.

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

Note 4 - Intangible assets

(in ₹ lakhs)

Particulars	Copyright & Patents	Computer Software	Computer Software (R&D)	Total (A)	Intangible under development (B)
Cost as at April 01,2021	459.10	352.16	28.92	840.18	731.27
Additions	-	22.67	-	22.67	541.59
Capitalisation	-	-	-	-	(22.67)
Cost as at March 31,2022	**459.10**	**374.83**	**28.92**	**862.85**	**1,250.19**
Accumulated amortisation as at April 1, 2021	94.08	139.81	8.10	241.99	-
Amortisation charge for the period	41.84	87.62	-	129.46	-
Accumulated amortisation as at March 31,2022	**135.92**	**227.43**	**8.10**	**371.46**	**-**
Net carrying amount as at March 31,2022	**323.18**	**147.40**	**20.82**	**491.40**	**1,250.19**
Cost as at April 01,2022	459.10	374.83	28.92	862.85	1,250.19
Additions	1,012.01	32.26	-	1,044.27	363.36
Capitalisation	-	-	-	-	(1,044.27)
Cost as at March 31,2023	**1,471.11**	**407.09**	**28.92**	**1,907.12**	**569.28**
Accumulated amortisation as at April 01,2022	135.92	227.43	8.10	371.46	-
Amortisation charge for the year	79.43	73.13	-	152.56	-
Accumulated amortisation as at March 31,2023	215.35	300.57	8.10	524.02	-
Net carrying amount as at March 31,2023	**1,255.75**	**106.52**	**20.82**	**1,383.10**	**569.28**

Note 4A - Intangible Assets under Development (IAUD) ageing Schedule for the year ended:

As at March 31, 2023:

IAUD	Amount in IUAD for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	301.08	246.81	17.96	3.43	569.28
Projects temporarily suspended	-	-	-	-	-
Total	**301.08**	**246.81**	**17.96**	**3.43**	**569.28**

As at March 31, 2022:

IAUD	Amount in IUAD for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	516.42	340.97	242.31	150.49	1,250.19
Projects temporarily suspended	-	-	-	-	-
Total	**516.42**	**340.97**	**242.31**	**150.49**	**1,250.19**

Note:

The projects mentioned above are expected to be completed as per plan and there are no projects which are overdue or has exceeded its cost compared to its original plan.

Note 5 - Non-current investments

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in Equity Instrument in Subisidary at cost, unquoted		
2,00,000 (March 31, 2022: 2,00,000) Equity shares of Shaily UK Limited, fully paid up of 1 GBP Each.	205.07	205.07
Investment in equity instruments (fully paid-up) at FVOCI, Unquoted		
1,19,000 (March 31, 2022: 1,19,000) Shares of Panax Appliances Pvt Ltd fully paid up Equity Shares of ₹10/- each	11.90	11.90
Less : Impairment allowances for investment	(11.90)	(11.90)

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

Note 5 - Non-current investments *(Contd.)*

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
325 (March 31, 2022: 325) Shares of The Citizen Co-Operative Credit Society Ltd, fully paid up Equity shares of ₹25/- each	0.08	0.08
Total Investment in Equity	**205.15**	**205.15**
Investment in Preference Share in Subsidiary at cost, Unquoted		
13,50,000 (March 31, 2022: 7,00,000) non convertible preference shares of Shaily UK Limited, fully paid up preference Shares of 1 GBP Each	1,336.76	706.73
Investment in Preference shares (fully paid up) at amortised cost, Unquoted		
8,71,000 (March 31, 2022: 8,71,000) 6 % Cumulative Redeemable Preference Shares of ₹4/- each of Panax Appliances Pvt Ltd fully paid up	27.04	27.04
Less : Impairment allowances for investment	(27.04)	(27.04)
	-	-
Total investment in preference shares	**1,336.76**	**706.73**
Total investments	**1,541.91**	**911.88**
Aggregate amount of unquoted investments	1,580.85	950.82
Aggregate amount of Impairment in value of investment	38.94	38.94

Note 6 - Other financial assets

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Security deposits	47.08	51.08
Derivative asset	-	290.83
Total non-current	**47.08**	**341.91**
Current		
Interest accrued on deposits	89.15	76.75
Finance lease receivable	55.46	221.01
Derivative asset	292.71	182.16
Total current	**437.32**	**479.92**

Note 7 - Other assets

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Capital advances	1,556.04	825.98
Prepaid expenses	8.23	19.69
Balances with government authorities	156.35	155.40
Total Non-Current	**1,720.62**	**1,001.07**
Current		
Prepaid expenses	269.51	312.59
Contract assets*	57.61	527.20
Advance to suppliers	662.67	375.42
Advance to employees	49.67	9.11
Balances with government authorities	2,878.76	2,200.88
Total Current	**3,918.22**	**3,425.20**

**Classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.*

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

Note 8 - Inventories (Valued at lower of cost and net realisable value)

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials and components	3,610.79	5,548.32
(Goods in transit March 31, 2023: ₹871.44 lakhs, March 31,2022: ₹1,089.93 lakhs)		
Work-in-progress	1,318.15	1,727.17
Finished goods	1,710.75	3,127.37
Stores and spares	405.34	333.21
Packing materials	252.44	406.46
Total	**7,297.47**	**11,142.53**

The Company follows suitable provisioning norms for written down the value of inventories towards slow moving and non moving inventory. Provision for the slow moving and non moving inventories during the year is ₹128.26 lakhs (March 31, 2022: ₹70.48 Lakhs).

Refer note 39 for assets pledged as security.

Note 9 - Trade receivables

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Trade Receivable considered good - Unsecured	8,879.39	9,986.19
b) Trade Receivable which have been Significant increase in Credit Risk	198.33	162.97
d) Trade Receivable Credit Impaired	-	-
Less : Allowance for expected credit loss	(198.33)	(162.97)
Total	**8,879.39**	**9,986.19**

Refer note 39 for assets pledged as security.

(i) Trade Receivable ageing schedule:

As at March 31, 2023:

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	7,662.49	1,035.24	28.86	146.35	3.77	2.68	8,879.39
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	30.15	16.57	19.17	125.31	4.17	2.96	198.33
	7,692.64	1,051.81	48.03	271.66	7.94	5.64	9,077.72
Less : Allowance for expected credit loss							(198.33)
Total							**8,879.39**

As at March 31, 2022:

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	7,396.48	2,222.04	328.81	12.61	18.27	7.98	9,986.19
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	19.13	33.03	90.66	3.56	11.55	5.04	162.97
	7,415.61	2,255.07	419.47	16.17	29.82	13.02	10,149.16
Less : Allowance for expected credit loss							(162.97)
Total							**9,986.19**

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

Note 10 - Cash and cash equivalents

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Balances with banks		
In current accounts	6.11	180.12
In EEFC accounts	55.03	152.43
b) Cash on Hand	7.43	2.94
c) Deposits with bank (Original maturity less than 3 Months)	1,700.00	2,800.00
Total	**1,768.57**	**3,135.49**

Note 11 - Bank balances other than cash and cash equivalents

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
In earmarked accounts		
Unpaid dividend accounts	2.10	2.77
Balances held as margin money (less than 12 months but more than 3 months maturity)*	388.38	388.38
Deposits with bank	-	800.00
Total	**390.48**	**1,191.15**

** Balance held as margin money are pertaining to deposits marked as lien against letter of credit and bank guarantee.*

Note 12 - Loans

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
(Unsecured, considered good)		
Loan to Employees	45.34	24.62
(Secured, considered good)		
Intercorporate Deposit	500.00	-
Total	**545.34**	**24.62**

Note 13 (a) - Share capital

The authorised, issued, subscribed and fully paid-up share capital comprises of the following:

(i) Authorised share capital

(in ₹ lakhs)

Particulars	Number of shares	Amount
As at March 31,2022 (Equity shares of ₹10 each)	1,60,00,000	1,600.00
As at March 31,2023 (Equity shares of ₹10 each)	1,60,00,000	1,600.00

(ii) Issued, Subscribed and fully paid up

(in ₹ lakhs)

Particulars	Number of shares	Amount
As at March 31,2022 (Equity shares of ₹10 each)	91,73,502	917.35
As at March 31,2023 (Equity shares of ₹10 each)	91,73,502	917.35

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

(iii) Reconciliation of number of shares (in ₹ lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
Opening balance	91,73,502	917.35	83,18,430	831.84
Issued during the year*	-	-	8,55,072	85.51
Closing balance	**91,73,502**	**917.35**	**91,73,502**	**917.35**

* During the previous year, company has allotted additional 8,55,072 Equity shares of ₹10 each to Non promoter entities on preferential allotment basis under Chapter V of SEBI (Issue of Capital and Disclosure) Requirements, Regulations, 2015 at a price of Rs 1,755 per share (inclusive of premium of ₹1,745/- per equity share). Pursuant to this allotment, the paid up equity share capital of the company has increased from 83,18,430 of ₹10 each to 91,73,502 of ₹10 each.

(iv) Terms and rights attached to equity shares

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

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company.

The distribution will be in proportion to the number of equity shares held by the shareholders.

(v) Details of shareholders holding more than 5% shares in the Company (in ₹ lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% Holding	Number of shares	% Holding
Mahendra Sanghvi	10,36,335	11.30%	10,36,335	11.30%
Tilottama Sanghvi	12,87,715	14.04%	12,87,715	14.04%
Laxman Sanghvi	4,76,424	5.19%	4,76,424	5.19%
Jayessh Shah	7,62,231	8.31%	7,62,231	8.31%
Ashish Kacholia	5,99,696	6.54%	5,99,696	6.54%
HDFC Small Cap Fund	6,88,502	7.51%	6,88,502	7.51%
Light house India III Equity Investors Limited	5,07,198	5.53%	5,07,198	5.53%

(vi) Disclosures of Shareholding of Promoters - Shares held by the Promoters: (in ₹ lakhs)

Promoter name	As at March 31, 2023		As at March 31,2022		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Mahendra Sanghvi	10,36,335	11.30%	10,36,335	11.30%	0.00%
Laxman Sanghvi	4,76,424	5.19%	4,76,424	5.19%	0.00%
Tilottama Sanghvi	12,87,715	14.04%	12,87,715	14.04%	0.00%
Amit Sanghvi	60,658	0.66%	60,658	0.66%	0.00%
Jayessh Shah	7,62,231	8.31%	7,62,231	8.31%	0.00%
Kalpana Sanghvi	75,300	0.82%	75,300	0.82%	0.00%
Ramesh Shah	11,178	0.12%	11,178	0.12%	0.00%
Purnima Shah	10,008	0.11%	10,008	0.11%	0.00%
Lax Nagda	2,08,702	2.28%	2,08,702	2.28%	0.00%
Shaily Sanghvi	90,000	0.98%	90,000	0.98%	0.00%
Total	**40,18,551**	**43.81%**	**40,18,551**	**43.81%**	

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

(vi) No equity shares are issued as bonus shares or for consideration other than cash or have been bought back in previous five financial years.

Note 13 (b) - Other Equity

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Securities premium		
Opening balance	18,088.52	3,207.51
Addition During the Year	-	14,916.01
Utilised	-	(35.00)
Closing balance	**18,088.52**	**18,088.52**
(b) Capital reserve		
Opening balance	92.91	92.91
Transfer from/to retained earnings	-	-
Closing balance	**92.91**	**92.91**
(c) General reserve		
Opening balance	191.58	191.58
Transfer from/to retained earnings	-	-
Closing balance	**191.58**	**191.58**
(d) Cash flow hedge reserve		
Opening balance	84.94	37.32
Addition during the year	(23.19)	47.62
Closing balance	**61.75**	**84.94**
(e) Retained earnings		
Opening balance	17,323.72	13,825.39
Profit for the year	2,999.41	3,514.01
Item of other comprehensive income	(111.87)	(15.68)
Closing balance	**20,211.26**	**17,323.72**
Total	**38,646.03**	**35,781.67**

For details of nature and purpose of each reserve, please refer Statement of changes in equity.

Note 14 - Non-Current borrowings

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Term loans:		
Rupee currency from banks	5,103.50	8,091.66
Foreign currency from banks	1,148.10	2,037.13
Vehicle loan	1.86	16.83
Unsecured*		
Loan from directors	-	13.85
Total	**6,253.46**	**10,159.47**

**Refer Note No 33 on Related Party Disclosure*

(in ₹ lakhs)

Particulars	Maturity and terms of repayment	Coupon Rate	As at March 31, 2023	As at March 31, 2022
Term loans				
Rupee Currency		7.20% to 9.55% March 31, 2022: 7.20% to 8.60% "	8,102.06	11,014.64

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

Note 14 - Non-Current borrowings *(Contd.)*

(in ₹ lakhs)

Particulars	Maturity and terms of repayment	Coupon Rate	As at March 31, 2023	As at March 31, 2022
HDFC Term loan	TL-3 Quarterly instalment of ₹166.67 lakhs till Jan 2025 TL-4 Quarterly instalment of ₹111.11 lakhs from Apr 2021 till Jul 2025 TL New - Quarterly instalment of ₹83.31 lakhs from Apr 2021 till Jul 2025 GECL WCDL Loan - Monthly instalment of ₹30.94 lakhs from Apr 2022 till Feb 2026			
State Bank of India	TL-2 Quarterly instalments of ₹195 lakhs from Jun 2022 to Mar 2026 TL 8 Cr - Quarterly instalment of ₹40.00 lakhs from Mar 2022 till Dec 2026 GECL WCDL Loan - Monthly instalment of ₹12.34 lakhs from Oct 2022 till Aug 2026			
Standard Chartered Bank	GECL WCDL Loan - Monthly instalment of ₹7.91 lakhs from Apr 2022 till Mar 2026			
Foreign Currency				
Standard Chartered Bank	ECB-1 Quarterly instalment of Euro 1.25 lakhs From May 2021 till Feb 2025 ECB-2 Quarterly instalment of Euro 1.56 lakhs from Aug 2021 till May 2025	3 months EURIBOR + 3 March 31, 2022: 3 months EURIBOR + 3%	2,156.18	2,989.55
Other Loans (Vehicle Loans)	Monthly instalment of ₹0.91 lakhs till Dec 2023 Monthly instalment of ₹0.62 lakhs till Jun 2024	8.76% to 9.06% March 31, 2022: 7.81% to 9.06%	16.83	55.92
Total long-term borrowings			**10,275.07**	**14,060.11**
Less: Current maturities of long-term borrowings (included in note 15)			(4,021.61)	(3,914.49)
Loan from directors		12.50% March 31, 2022: 12.50%	-	13.85
Total non-current borrowings			**6,253.46**	**10,159.47**

Security-

Term loans from banks are secured by first pari passu charge over entire property, plant and equipments of the Company and second pari passu charge over entire current assets of the company. Foreign Currency Loan from Bank is secured by first pari passu charge with existing term lender over entire property, plant and equipment of the Company and second pari passu charge on all the current assets with all existing working capital lenders.

Also refer to Note No. 39 for further details.

In case of other loans (Vehicle Loans), Vehicles purchased are hypothecated with the lender.

Note 15 - Current borrowings

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans repayable on demand (Secured)		
From banks		
Cash credit /Packing credit	7,707.63	2,413.78
Current maturities of long-term borrowing (Refer note 14)	4,021.61	3,914.49
Bill discounting	595.59	892.08
Total	**12,324.83**	**7,220.35**

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

Cash credit /Packing credit and bill discounting facilities from banks are secured by hypothecation of all current assets of the Company, present and future, such as inventories, receivables, loans and advances, etc. Cash credit /Packing credit and bill discounting are further secured by second pari passu charges over entire property, plant and equipments of the Company. Rate of interest for Cash credit/Packing credit for the year March 31, 2023 is 7.5% to 9.25% (March 31, 2022: 7.25% to 8.45%).

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 39.

Note 16 - Provisions

Employee Benefit Provisions

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Provision for compensated absences	214.44	182.16
Provision for litigations	18.72	-
Total Non-Current	**233.16**	**182.16**
Current		
Provision for compensated absences	120.08	89.68
Total Current	**120.08**	**89.68**

Defined contribution plans

The Company makes Provident Fund and Superannuation Fund Contributions to defined contribution plans for qualifying employees. The Provident fund plan is operated by the Regional provident fund Commissioner. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary (i.e. @12% is employer's contribution and @12% employee's contribution) as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The Company recognised for year ended March 31,2023 ₹385.42 lakhs (March 31, 2022: ₹362.46 lakhs) for Provident Fund contributions, contribution towards Employee State Insurance scheme and other funds in the Statement of Profit and Loss.

Defined benefit plans

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972.

Compensated absences

Provision for compensated absences covers the liability for sick and earned leave. Compensated absences that are not expected to occur within twelve months after the end of the period in which the employee renders the related services are measured at the present value of expected future payments to be made in respect of such services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. The amount recognised towards compensated absences in statement of Profit and Loss during the year is ₹136.68 lakhs (March 31, 2022: ₹102.38 lakhs).

Valuations of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit plans which are as follows:

(i) Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (i.e. value of defined benefit obligation).

(ii) Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(iii) Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

(iv) Investment Risk : The Company has funded with HDFC Insurance fund, therefore there is no significant Investment risk."

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

Note 16 - Provisions *(Contd.)*

Gratuity

(in ₹ lakhs)

Particulars	As at March 31, 2023 Gratuity (Funded)	As at March 31, 2022 Gratuity (Funded)
(i) Change in defined benefit obligation		
Balance at the beginning of the year	584.29	518.34
Adjustment of:		
Current Service Cost	35.38	38.01
Interest Cost	33.86	28.91
Actuarial (gains) losses recognised in Other Comprehensive Income:		
- Change in Financial Assumptions	(29.25)	(10.04)
- Experience Changes	170.51	21.94
Benefits Paid	(25.55)	(12.87)
Balance at the end of the year	**769.24**	**584.29**

(in ₹ lakhs)

Particulars	As at March 31, 2023 Gratuity (Funded)	As at March 31, 2022 Gratuity (Funded)
(ii) Change in fair value of assets		
Balance at the beginning of the year	532.27	523.75
Re-measurements due to:		
Actual Return on plan assets less interest on plan assets	(8.23)	(9.05)
Interest income	31.55	30.44
Contribution by the employer	52.02	-
Benefits Paid	(25.55)	(12.87)
Balance at the end of the year	**582.06**	**532.27**
(iii) Net asset / (liability) recognised in the Balance sheet		
Present value of defined benefit obligation	769.24	584.29
Fair value of plan assets	(582.06)	(532.27)
Net (asset) / liability in the Balance sheet	**187.18**	**52.02**
(iv) Expenses recognised in the statement of Profit and loss		
Current service cost	35.38	38.01
Interest cost	2.31	(1.54)
Total expense charged to statement of Profit and loss	**37.69**	**36.47**
(v) Re-measurements recognised in other comprehensive Income (OCI):		
Changes in financial assumptions	(29.25)	(10.04)
Experience adjustments	170.51	21.94
Actual return on plan assets less interest on plan assets	8.24	9.06
Amount recognised in other comprehensive Income (OCI):	**149.50**	**20.96**

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of funded obligations	769.24	584.29
Fair value of plan assets	(582.06)	(532.27)
(Surplus) of funded plan	**187.18**	**52.02**
Unfunded plan	-	-
(Surplus) of Gratuity plan	**187.18**	**52.02**

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

Note 16 - Provisions *(Contd.)*

Fair value of plan assets at the balance sheet date for defined benefit obligations:

Gratuity (in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Insurer managed funds (funded with HDFC Insurance fund)	582.06	532.27
Total	**582.06**	**532.27**

Major category of plan assets as a % of plan assets : (in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Debentures/Bonds	49.86%	35.92%
Govt Securities	49.90%	61.42%
Deposits , Money Market Securities and Net Current Assets	0.24%	2.66%
Total	**100.00%**	**100.00%**

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Gratuity (in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.40%	6.80%
Salary escalation rate	5.00%	5.00%
Withdrawal rates	60% at lower service reducing to 1% at higher service	60% at lower service reducing to 1% at higher service

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is: (in ₹ lakhs)

Particulars	Change in assumption		Impact on defined benefit obligation Increase /(decrease) in assumption	
	As at March 31, 2023	As at March 31,2022	As at March 31, 2023	As at March 31, 2022
Discount rate	+/- 0.5%	+/- 0.5%	(22.66) / 24.21	(19.08) / 20.42
Salary escalation rate	+/- 0.5%	+/- 0.5%	23.59 / (22.28)	19.81 / (18.69)
Withdrawal Rate	+/- 10%	+/- 10%	(0.84) / 1.18	(0.72) / 1.00

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Maturity Analysis (in ₹ lakhs)

Particulars	Year 1	Year 2	Year 3 - 5	Year 6 - 10
As at March 31,2023				
Defined Benefit Obligation	254.50	27.46	162.84	253.14
As at March 31,2022				
Defined Benefit Obligation	172.75	18.90	115.32	195.36

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

Note 16 - Provisions *(Contd.)*

Compensated absences

The summary of the assumptions used in the valuations is given below:

Financial Assumptions (in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Discount Rate (p.a.)	7.40%	6.80%
Salary Growth Rate (p.a.)	5.00%	5.00%
Withdrawal rates	60% at lower service reducing to 1% at higher service	60% at lower service reducing to 1% at higher service

Leave Availment Rate (in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Leave Availment Rate (p.a.)	1.00%	1.00%

Note 17 - Other liabilities

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Advance from customers	-	162.05
Deferred income	10.19	10.93
Total Non-Current	**10.19**	**172.98**
Current		
Advance from customers	1,810.91	2,201.67
Deferred income	1.10	1.46
Statutory dues	100.85	64.14
Total Current	**1,912.86**	**2,267.27**

Note 18 - Trade payables

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) total outstanding dues of micro enterprises and small enterprises	505.98	958.84
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	4,668.32	7,443.64
Total	**5,174.30**	**8,402.48**

i) Trade Payable ageing schedule for the year ended:

As at March 31, 2023:

Particulars	Outstanding for following period from due date of payment					Total
	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	389.54	115.08	0.48	0.88	-	505.98
(ii) Others	3103.16	1438.49	11.73	94.91	20.03	4,668.32
Total	**3,492.70**	**1,553.57**	**12.21**	**95.79**	**20.03**	**5,174.30**

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

Note 18 - Trade payables *(Contd.)*

As at March 31, 2022:

Particulars	Outstanding for following period from due date of payment					Total
	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	700.99	253.41	4.44	-	-	958.84
(ii) Others	4,565.64	2,808.76	68.91	-	0.33	7,443.64
Total	**5,266.63**	**3,062.17**	**73.35**	**-**	**0.33**	**8,402.48**

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the company and relied by the auditor.

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	505.98	958.84
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	6.29	13.77
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	1,713.21	1,180.26
- Amount of principal payments made to the supplier beyond the appointed day	1,713.21	1,180.26
- Amount of interest payments made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	13.77	7.67
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	55.65	35.59
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	55.65	35.59

The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSME.

Note 19 - Other financial liabilities

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Deferred premium on derivative instrument	33.86	105.56
Total Non-Current	**33.86**	**105.56**
Current		
Accrued interest payable	103.28	120.87
Unpaid dividends	2.10	2.77
Capital creditors	394.41	126.16
Trade/Security deposit received	1.00	1.00
Accrued expense	3.23	12.62
Employee liabilities	460.05	405.67
Deferred premium on derivative instrument	71.70	107.00
Total Current	**1,035.77**	**776.09**

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

Note 20 - Revenue from operations

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Sale of products	59,242.10	54,477.42
Sale of services	555.52	1,826.81
Other operating revenue		
Sale of scrap	157.09	136.96
Export incentives	1.16	3.77
Others.	14.95	-
Interest on finance lease	-	140.24
Total other operating revenue	**173.20**	**280.97**
Total	**59,970.82**	**56,585.20**

Note 21 - Other income

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest Income on deposits	282.05	225.27
Interest Income on Income Tax refund	7.88	28.30
Profit on sale of Asset	-	2.70
Net gain on foreign currency transactions	-	492.44
Interest component on account of Fair valuation of loan	134.70	77.83
Other non-operating income	25.81	56.16
Total	**450.44**	**882.70**

Note 22(a) - Cost of material consumed

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Opening stock	5,954.78	3,882.41
Add:Purchases	34,731.00	39,917.90
Less :Closing stock	(3,863.23)	(5,954.78)
Total	**36,822.55**	**37,845.53**

Note 22(b) - Changes in inventories of finished goods and work in progress

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Inventories at the end of the year		
Finished goods	1,710.75	3,127.37
Work in progress	1,318.15	1,727.17
	3,028.90	**4,854.54**
Inventories at the beginning of the year		
Finished goods.	3,127.37	1,303.90
Work in progress.	1,727.17	1,396.02
	4,854.54	**2,699.92**
Net (increase) /decrease	**1,825.64**	**(2,154.62)**

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

Note 23 - Employee benefit expenses

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Salaries, wages and bonus	4,098.15	3,704.01
Contributions to provident and other funds	385.42	362.46
Staff welfare expenses	237.63	253.83
Total	**4,721.20**	**4,320.30**

Note 24 - Finance costs

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest expense on:		
Borrowings	1,497.69	1,519.88
Loans from related parties	1.11	1.73
Exchange difference on restatements of ECB to the extent considered as interest cost	107.81	36.97
Interest component on account of Fair valuation of loan	143.64	101.29
Interest expense on lease	11.39	12.11
Others	26.59	22.50
Total	**1,788.23**	**1,694.48**

Note 25 - Depreciation and amortisation expense

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Depreciation of property, plant and equipment	3,118.02	2,478.24
Amortisation of intangible assets	152.56	129.46
Depreciation on right to use assets	47.26	41.73
Total	**3,317.84**	**2,649.43**

Note 26 - Other expenses

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Stores and spares consumed	205.44	350.41
Subcontracting and labour charges	1,562.30	2,169.71
Repairs & maintenance		
- Building	23.40	39.23
- Plant & Machinery	656.94	663.99
- Others	103.76	152.81
Rent (Refer note 28)	17.75	39.06
Rates and taxes	20.22	62.00
Insurance	240.12	220.46
Conveyance expense	36.04	25.53
Postage and telephone expense	39.76	33.47
Printing and stationery	35.77	56.60
Vehicle expense	108.05	107.88
Legal and professional	138.30	139.54
Directors' sitting fees	32.38	30.53
Sales commission and Fees	101.06	81.56
Payments to auditors	34.94	26.98

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

Note 26 - Other expenses *(Contd.)*

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Travelling expense	237.81	236.80
Carriage outwards	441.30	456.33
Advertisement	140.84	29.54
Corporate social responsibility	71.39	61.18
Expected credit loss allowance	35.36	109.15
Testing fees	221.33	261.03
Bank charges	118.08	128.27
Loss on sale of PPE	0.83	-
House Keeping Expense	46.72	-
Net loss on foreign currency transactions and translation	297.50	-
Miscellaneous expenses	334.36	297.79
Total	**5,301.75**	**5,779.85**

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
(i) Details of payment to auditors		
As auditors		
(A) Statutory Audit	17.75	12.25
(B) Limited Review of quarterly results	10.25	10.25
(C) Tax Audit	1.00	1.00
Reimbursement of expenses	5.94	3.48
Total	**34.94**	**26.98**
(ii) Corporate Social Responsibility		
Corporate Social Responsibility (CSR) expenses for the period	71.39	61.18
Gross amount required to be spent by the Company during the year	71.33	60.36
Amount approved by the Board to be spent during the year	71.33	60.36
Amount spent during the year on		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	26.51	22.73
	26.51	**22.73**
Provision For CSR expenses		
Opening Balance	37.63	0.80
Add-Provision Created during the year	44.88	37.63
Less-Provision Utilised during the year	37.63	0.80
Closing Balance	**44.88**	**37.63**
The amount of shortfall at the end of the year out of the amount required to be spent by the company during the year	**44.81**	**37.63**
The total of previous year's shortfall amount	-	-
The reason for above shortfall by way of a note	*Refer below note	*Refer below note
The nature of CSR activities undertaken by the Company	Contribution to charitable trust, Education, Healthcare/ Sanitation/ Cleanliness and Women empowerment.	Contribution to charitable trust, Education, Healthcare/ Sanitation/ Cleanliness and Women empowerment.

**Unspent amount as at March 31, 2023 of ₹44.81 lakhs will be transferred to special bank account under section 135 (6) of the Companies Act, 2013 and as at March 31, 2022 of ₹37.63 lakhs transferred to fund specified in schedule VII under section 135(5) of the Companies Act, 2013.*

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

Note 27 - Taxation

27 (a) - Income tax expense

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Income tax expenses		
Tax expense for current year	595.45	833.60
Tax expense pertaining to prior years	-	9.77
Total Income tax expense	**595.45**	**843.37**
Deferred tax		
Deferred tax expense	410.31	283.38
Total deferred tax expense	**410.31**	**283.38**
Total tax expense recognised	**1,005.76**	**1,126.75**

Income Tax Recognised in other comprehensive Income

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Deferred Tax on items recognised in other comprehensive Income		
- Remeasurements of post employment benefit obligations	37.63	5.28
- Effective portion of gains on hedging instrument in cash flow hedges	7.80	(16.02)
Total Income tax expense	**45.43**	**(10.74)**

27 (b) - Reconciliation of Estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Profit for the period	**4,005.17**	**4,640.76**
Statutory tax rate applicable to Shaily Engineering Plastics Limited	25.170%	25.170%
Tax expense at applicable tax rate	**1,008.10**	**1,168.08**
Tax effects of following in calculating taxable income:		
Additional deduction claimed under Income tax Act	(36.10)	(44.33)
Non deductible expenses	23.02	18.89
Others	10.74	(15.89)
Income tax expense	**1,005.76**	**1,126.75**
Effective tax rate	**25.112%**	**24.279%**

27 (c)- Deferred tax liabilities

The balance comprises temporary differences attributable to:

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities:		
Difference between accounting and tax written down value of Property Plant and Equipment and Intangible assets	1,952.66	1,472.92
Other timing differences	11.71	56.16
Total deferred tax liabilities	**1,964.37**	**1,529.08**
Deferred tax assets:		
Adjustment on account of provision for expected credit loss	49.92	41.02
Other timing differences	227.98	166.47
Total deferred tax assets	**277.90**	**207.49**
Net deferred tax liabilities	**1,686.47**	**1,321.59**

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

27 (c)- Deferred tax liabilities *(Contd.)*

Movement in deferred tax balances

Particulars	As at March 31,2022	Charged/ (credited) to profit and loss	Charged/ (credited) to Other Comprehensive income	As at March 31, 2023
Deferred tax liabilities:				
Difference between Accounting and Tax written down value	1,472.92	479.74	-	1,952.66
Other timing difference	56.16	(44.45)	-	11.71
Total deferred tax liabilities	**1,529.08**	**435.29**	**-**	**1,964.37**
Deferred tax assets:				
Adjustment on account of provision for expected credit loss	41.02	8.90	-	49.92
Other timing differences	166.47	16.08	45.43	227.98
Total deferred tax assets	**207.49**	**24.98**	**45.43**	**277.90**
Net deferred tax liabilities	**1,321.59**	**410.31**	**(45.43)**	**1,686.47**

Particulars	As at March 31,2021	Charged/ (credited) to profit and loss	Charged/ (credited) to Other Comprehensive income	As at March 31,2022
Deferred tax liabilities:				
Difference between Accounting and Tax written down value	1,168.80	304.12	-	1,472.92
Other timing difference	29.79	10.35	16.02	56.16
Total deferred tax liabilities	**1,198.59**	**314.47**	**16.02**	**1,529.08**
Deferred tax assets:				
Adjustment on account of provision for expected credit loss	13.55	27.47	-	41.02
Other timing differences	157.57	3.62	5.28	166.47
Total deferred tax assets	**171.12**	**31.09**	**5.28**	**207.49**
Net deferred tax liabilities	**1,027.47**	**283.38**	**10.74**	**1,321.59**

Note 28 - Lease

The Company's significant leasing arrangements are mainly in respect of office & godown. Leases typically run in a range from 11 months to 5 years, with an option to renew the lease after that date. The Company previously used to classify leases as operating or finance leases based on its assessment of whether the lease transfers significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company.

The Company has adopted Ind AS 116 "Leases" with effect from 1 April 2019 i.e. date of transition with modified prospective approach. The Company has elected to account for short-term and low value leases using the practical expedient as given in the standard. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss. The weighted average incremental borrowings rate of 7.86% has been applied to lease liabilities recognised in the balance sheet at the date of initial application. Company's short term and low value consists of office premises taken on lease for a period of 11 months which are renewable by mutual consent or mutually agreed terms. The aggregate of such lease rentals are charged as "Rent".

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

Note 28 - Lease *(Contd.)*

The Company used following practical expedients when applying Ind AS 116 :

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

Accordingly during the previous year Right-of-Use asset and lease liability of ₹201.98 Lakhs has been recognised.

A. Amount recognised in Statement of Profit and Loss

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest on lease liabilities	11.39	12.11
Amortisation of ROU Assets	47.26	41.73
Expenses relating to short term and low value leases charged as Rent	17.75	39.06

B. Amount recognised in the Statement of Cash Flows

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest component	11.39	12.11
Lease component	49.03	36.99

C. Maturity Analysis of Lease Liabilities

(in ₹ lakhs)

Particulars	31-Mar-23	31-Mar-22
Maturity Analysis - Undiscounted		
Less than one year	38.20	44.38
One to five years	77.76	120.61
More than five years	-	-

(in ₹ lakhs)

Particulars	31-Mar-23	31-Mar-22
Lease liabilities included in Balance Sheet		
- Current	38.20	44.38
- Non Current	77.76	120.61

D. Movement of Right of Use Assets

Forming part of note to “Right of Use Assets” (refer note 3B).

E. Movement of Lease Liability

(in ₹ lakhs)

Particulars	31-Mar-23	31-Mar-22
Balance at the beginning	164.99	-
Addition	-	201.98
Deduction	-	-
Finance cost accrued	11.39	12.11
Payment of lease liabilities	(60.42)	(49.10)
Balance at the end	**115.96**	**164.99**

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

Note 29 - Financial Instruments

29 a) - Fair Value Measurement - Financial instruments by category

(in ₹ lakhs)

Particulars	Amortised cost	
	As at March 31, 2023	As at March 31, 2022
Financial assets		
Trade receivables	8,879.39	9,986.19
Cash and cash equivalents	1,768.57	3,135.49
Bank balances other than cash and cash equivalent above	390.48	1,191.15
Investment in Preference shares (Gross of allowance for impairment) (Refer note below) *	27.04	27.04
Loans and advances	545.34	24.62
Other Financial Assets	191.68	348.84
Total financial assets - At amortised cost	**11,802.50**	**14,713.33**
Financial liabilities		
Borrowings	18,578.29	17,379.82
Trade Payables	5,174.30	8,402.48
Lease liabilities	115.96	164.99
Other Financial liabilities	1,069.63	881.65
Total financial liabilities - At amortised cost	**24,938.18**	**26,828.94**

(in ₹ lakhs)

Particulars	FVOCI	
	As at March 31, 2023	As at March 31, 2022
Financial assets		
Equity shares of Panax Appliances Pvt. Ltd.(Gross of allowance for impairment)	11.90	11.90
Equity shares of Citizen Co-operative Society Ltd	0.08	0.08
Derivative Asset	292.71	473.00
Total financial assets - At FVOCI	**304.69**	**484.98**

**Note:- Investment in subsidiary has been accounted at historical cost. Since these are scoped out of Ind AS 109 for the purpose of measurement, the same have not been disclosed in tables above.*

29 b) Fair Value Measurement - Hierarchy

Financial assets and liabilities measured at fair value -recurring fair value measurements (in ₹ lakhs)

As at March 31,2023	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Derivative Instruments					
Designated as Cash Flow Hedge	6	-	292.71	-	292.71
Financial Investments at FVOCI					
Equity Shares of Panax Appliances Pvt. Ltd.	5	-	-	11.90	11.90
Equity Shares of Citizen Co-operative Society Ltd	5	-	-	0.08	0.08
Total Financial Assets		-	**292.71**	**11.98**	**304.69**

Financial assets and liabilities measured at fair value -recurring fair value measurements (in ₹ lakhs)

As at 31st March, 2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Derivative Instruments					
Designated as Cash Flow Hedge	6	-	473.00	-	473.00
Financial Investments at FVOCI					
Equity Shares of Panax Appliances Pvt. Ltd.	5	-	-	11.90	11.90
Equity Shares of Citizen Co-operative Society Ltd	5	-	-	0.08	0.08
Total Financial Assets		-	**473.00**	**11.98**	**484.98**

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

For all the financial assets and liabilities referred above that are measured at amortised cost, their carrying amounts are reasonable approximations of their fair values.

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

There were no transfers between any levels during the year.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, preference shares and debentures are included in level 3.

29 c) Fair Value Measurement - Technique

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

The fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

29 d) Derivative Financial Instruments

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

(i) The details of various outstanding derivative financial instruments are given below : (in ₹ lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Assets	Liabilities	Assets	Liabilities
Derivatives designated in cash flow hedges				
- Option contract	210.19	-	453.99	-
- Interest rate swap	82.52	-	19.01	-
Total designated derivatives	**292.71**	**-**	**473.00**	**-**

(ii) The details of the gross notional amounts of derivative financial instrument outstanding : (in ₹ lakhs)

Derivative instruments	Underlying	As at March 31,2023	As at March 31,2022
- Option contract	EUR/₹	€ 24.06 Lakhs	€ 35.31 Lakhs
- Interest rate swap	Floating to Fixed	€ 24.06 Lakhs	€ 35.31 Lakhs

(iii) The movement of cash flow hedges in other comprehensive income is as follows : (in ₹ lakhs)

Particulars	As at March 31,2023	As at March 31,2022
Balance at the beginning of the year	84.94	37.32
Change in the fair value of effective portion of cash flow hedges	(31.00)	63.64
Deferred tax on fair value of effective portion of cash flow hedges	7.80	(16.02)
Balance at the end of the year	**61.75**	**84.94**

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

Note 30 -Financial risk management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management framework, through which management develops and monitors the Company's risk management policies. The key risks and mitigating actions are also placed before the Board of directors of the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management Framework of the Company is enforced by the finance team and experts of business division that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to:

- protect the Company's financial results and position from financial risks;
- maintain market risks within acceptable parameters, while optimising returns; and

The finance department is responsible to maximise the return on companies internally generated funds.

30 a) Management of credit risks

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited. This is due to the Company's policy of strict credit worthiness tests it performs for all its sales. Company deals with limited number of customers with highest credit ratings. Company acts as institutional supplier to its customers without any channel distribution model. Most of the company products are plastic moulded components, specially created as per the designs of its customer and are either semi finished goods or critical to business operations of its customers, making it business prudent for customers for not to dispute or delay payment of any receivable to the Company. All trade receivables are regularly reviewed and assessed for default on an ongoing basis.

Expected credit loss for trade receivable under simplified approach. (in ₹ lakhs)

Ageing	Not due	0-90 days	91-180 days	181-270 days	271-360 days	More than 360 days	Total
Year ended March 31, 2023							
Gross carrying amount	7,692.64	1,026.32	25.49	14.23	33.80	285.24	9,077.72
Expected credit losses (Loss allowance provision)	(30.15)	(13.72)	(2.85)	(3.58)	(15.59)	(132.44)	(198.33)
Carrying amount of trade receivables	**7,662.49**	**1,012.60**	**22.64**	**10.65**	**18.21**	**152.80**	**8,879.39**
Year ended March 31, 2022							
Gross carrying amount	7,415.61	2,019.88	235.19	18.41	401.06	59.01	10,149.16
Expected credit losses (Loss allowance provision)	(19.13)	(16.30)	(16.73)	(2.29)	(88.37)	(20.15)	(162.97)
Carrying amount of trade receivables	**7,396.48**	**2,003.58**	**218.46**	**16.12**	**312.69**	**38.86**	**9,986.19**

30 b) Management of liquidity risk:

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine the Company's credit rating and impair investor confidence.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the balance sheet date:

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

(in ₹ lakhs)

Particulars	Carrying amount	Less than 12 months	More than 12 months	Total
As at March 31,2023				
Borrowings	18,578.29	12,324.83	6,253.46	18,578.29
Trade Payables	5,174.30	5,174.30	-	5,174.30
Lease Liabilities	115.96	38.20	77.76	115.96
Other Financial liabilities	1,069.63	1,035.77	33.86	1,069.63
	24,938.18	**18,573.10**	**6,365.08**	**24,938.18**
As at March 31,2022				
Borrowings	17,379.82	7,220.35	10,159.47	17,379.82
Trade Payables	8,402.48	8,402.48	-	8,402.48
Lease liabilities	164.99	44.38	120.61	164.99
Other Financial liabilities	881.65	776.10	105.56	881.65
	26,828.94	**16,443.31**	**10,385.64**	**26,828.94**

30 c) Management of market risks

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the value of a financial asset. The value of a financial asset may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including receivables, payables and borrowings denominated in foreign currency. The objective of the Management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the Management of, these risks is explained below:

30 d) (i) Foreign currency risk

The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised Financial assets and liabilities denominated in a currency that is not the functional currency '(Rupee)' of the Company. The management does not undertake any hedging activities or otherwise to offset or mitigate the foreign currency and interest rate risk that it is exposed to other than the hedging EUR ECB loan. The Company undertakes significant of its foreign currency transaction in United States Dollar ('USD'). To the extent of lower of exports and imports that the Company undertakes in USD, the Company has a natural hedge against the exposure to foreign currency risks. However the Company has taken a EUR ECB Loan for which Currency Call Hedge has been undertaken.

The Company is exposed to foreign currency risks on accounts of foreign currency denominated receivables and payables as below:

(Amount in foreign & rupee currency in Lakhs)

As at March 31,2023	USD	₹	EURO	₹	GBP	₹	JPY	₹
Financial assets								
Trade receivable	19.19	1,578.12	-	-	-	-	-	-
Bank balance in EEFC accounts	0.67	55.03	-	-	-		-	
Exposure to foreign currency assets	**19.86**	**1,633.15**	**-**	**-**	**-**	**-**	**-**	**-**
Financial liabilities								
Trade payables	5.86	481.94	1.02	91.09	0.20	20.06	1,198.00	740.84
Borrowings	-	-	24.06	2,156.18	-	-	-	-
Less : Foreign currency hedged	-	-	(24.06)	(2,156.18)	-	-	-	-
Interest Payable on Foreign borrowings	-	-	0.23	20.26	-	-	-	-
Exposure to foreign currency risk liabilities	**5.86**	**481.94**	**1.25**	**111.35**	**0.20**	**20.06**	**1,198.00**	**740.84**

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

(Amount in foreign & rupee currency in Lakhs)

As at March 31,2022	USD	₹	EURO	₹	GBP	₹	JPY	₹
Financial assets								
Trade receivable	31.24	2,370.96	0.19	15.65	-	-	-	-
Bank balance in EEFC accounts	2.01	152.43	-	-	-		-	
Exposure to foreign currency assets	**33.25**	**2,523.39**	**0.19**	**15.65**	**-**	**-**	**-**	**-**
Financial liabilities								
Trade payables	24.71	1,875.70	2.10	176.48	0.29	28.68	398.00	248.85
Borrowings	-	-	35.31	2,973.68	-		-	
Less : Foreign currency hedged	-	-	(35.31)	(2,973.68)	-	-	-	-
Interest Payable on Foreign borrowings			0.29	24.75				
Exposure to foreign currency risk liabilities	**24.71**	**1,875.70**	**2.39**	**201.23**	**0.29**	**28.68**	**398.00**	**248.85**

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises from above referred outstanding balances.

(in ₹ lakhs)

Currency Sensitivity	Impact on profit before tax	
	As at March 31, 2023	As at March 31, 2022
USD sensitivity		
INR/USD -Increase by 1%*	11.51	6.48
INR/USD -decrease by 1%*	(11.51)	(6.48)
EURO sensitivity		
INR/EURO -Increase by 1%*	(1.12)	(1.86)
INR/EURO -decrease by 1%*	1.12	1.86
GBP sensitivity		
INR/GBP -Increase by 1%*	(0.20)	(0.29)
INR/GBP -decrease by 1%*	0.20	0.29
JPY sensitivity		
INR/JPY -Increase by 1%*	(7.40)	(2.49)
INR/JPY -decrease by 1%*	7.40	2.49

**Holding all other variables constant*

30 d) (ii) Interest rate risk

Interest rate risk arises on account of variable interest rate borrowings held by the Company. The uncertainties about the future market interest rate of these borrowings exposes the Company to the interest rate risk.

Currently, Interest rate on Term Loans are linked with Marginal Cost of funds based Lending Rate (MCLR) and to the extent of variation in MCLR, interest rates on terms loans are expected to be changed. The interest rates on Term loans which are linked with MCLR are reported in Note 14 - Non-current Borrowings.

The Company has taken a ECB loan of € 4.5Mn from the Standard chartered Bank, Dubai International Financials Branch, First of its drawdown being of € 2.0 Mn & the second drawdown being of €2.50 Mn. We have taken Interest rate swap for converting the floating interest rate to fixed rate and thus hedging against risk of upward movement of EURIBOR rates.

For the year ended March 31, 2023 and March 31, 2022 , a 10 basis point increase / decrease in interest rate on floating rate liabilities would impact Company's profit before tax by approximately 0.43% and 0.37% respectively.

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

Note 31 - Details of Government Grants

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Government grants received by the Company during the year towards		
i.) Duty drawback (recognised under Export Incentive under Other revenue from operations)	1.16	3.77
ii.) Other Government Grant include grant received by the Company in respect to investment made by the Company in plant and equipment.		
A) Amount of grant received during the year	-	-
B) Amortised in statement of Profit and Loss	1.10	1.49
C) Unamortised portion of grant recorded as deferred income in current and non current liabilities	11.29	12.39

Note 32 - Segment revenue

In accordance with the requirement of Ind AS 108 - "segment reporting", the Company is primarily engaged in the business of manufacturing of customized components made up of plastic and other materials and has no other primary reportable segments. The Board of Directors of the Company allocates the resources and assess the performance of the Company as Chief Operating Decision Maker("CODM"). The CODM monitors the operating results of the business as a single segment hence no separate segment needs to be disclosed. Thus the segment revenue, segment result, total carrying value of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, the total amount of charge for depreciation and amortization during the year are all as reported in the financial statements for the year ended March 31, 2023 and as on that date.

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

(in ₹ lakhs)

Revenue from sale of products and services	As at March 31, 2023	As at March 31, 2022
India	13,599.47	13,997.72
Outside India	46,198.15	42,306.50
Total Revenue from sale of products and services	**59,797.62**	**56,304.22**

The amount of its non-current assets broken down by location of the customers is shown in the table below. (in ₹ lakhs)

Non-current assets	As at March 31, 2023	As at March 31, 2022
India	45,227.53	38,176.54
Outside India	-	-
Total non-current assets	**45,227.53**	**38,176.54**

The Company earns revenue from one major customer who individually contribute more than 10 percent of the Company's revenue.

Note 33 - Related Party Transactions

33 a) Details of related parties

Description of relationship	Names of related parties
Key Management Personnel	
Executive Chairman	Mr. Mahendra Sanghvi
Managing Director	Mr. Amit Sanghvi
Executive Director	Mr. Laxman Sanghvi
Whole Time Director	Mrs. Tilottama Sanghvi
Independent Director	Mr. Milin Mehta

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

Note 33 - Related Party Transactions *(Contd.)*

Description of relationship	Names of related parties
Independent Director	Mr. Ranjit Singh
Independent Director	Mr. Shailesh Ayyangar
Independent Director	Mr. Samaresh Parida
Independent Director	Mrs. Sangeeta Singh
Other Related Parties	
Wholly Owned Subsidiary Company	Shaily (UK) Limited
Entities in which KMP have significant influence	Panax Appliances Pvt. Ltd.
Entities in which KMP have significant influence	Shaily Medical Plastics Pvt.Ltd.
Relative of key management personnel	Mrs. Kinjal S Bhavsar
Firm owned by relative of key management personnel	Jariwala Shah Kanji Raichand & Co.

33 b) Key management personnel compensation

(in ₹ lakhs)

For the year ended March 31,2023	Total
Mr. Mahendra Sanghvi	186.29
Mr. Amit Sanghvi	221.15
Mr. Laxman Sanghvi	94.97
Mrs. Tilottama Sanghvi	63.51

(in ₹ lakhs)

For the year ended March 31,2022	Total
Mr. Mahendra Sanghvi	126.08
Mr. Amit Sanghvi	133.74
Mr. Laxman Sanghvi	72.75
Mrs. Tilottama Sanghvi	64.19

Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

33 c) Transactions with related parties

(in ₹ lakhs)

Nature of Transaction	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Rent paid for lease arrangements		
Mrs. Tilottama Sanghvi	8.40	8.40
Jariwala Shah Kanji Raichand & Co	7.08	7.08
Interest paid on loans		
Mr. Laxman Sanghvi	1.11	1.73
Repayment of loan		
Mr. Laxman Sanghvi	13.85	-
Investment		
Shaily (UK) Limited	630.03	911.80
Remuneration		
Mrs. Kinjal Bhavsar	-	17.89
Sitting fees to Independent Director	32.38	30.53

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

33 d) Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions; (in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in Shaily (UK) Limited	1,541.83	911.80
Advance to supplier		
Shaily Medical Plastics Pvt Ltd.	9.50	9.50
Total receivables from related parties	**9.50**	**9.50**
Trade Payables		
Panax Appliances Pvt. Ltd	20.03	20.03
Unsecured Loans		
Mr. Laxman Sanghvi	-	13.85
Total payables to related parties	**20.03**	**33.88**

33 e) Terms and conditions :

(i) All outstanding balances are unsecured and are repayable/receivable in cash and all the transactions with these related parties are priced on an arms length basis.

Note 34 - Contingent liabilities

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Income Tax	4.24	2.54
(b) Sales Tax	5.74	5.74
(c) Custom Duty	97.84	97.84
(d) Service Tax	193.93	212.65
(e) Excise Duty	3.22	3.22
(f) Workmen compensation	Amount Not determinable	Amount Not determinable

It is not practical for the Company to estimate the closure of these issue and the consequential timing of cash flows if any, as it is determinable only on receipt of judgement pending with various forum/authorities.

The Hon'ble Supreme Court of India ("SC") set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. In view of management, guidelines directed under SC judgement has been implemented w.e.f. 01 October 2019 and an additional financial liability for the period from 01 April 2019 to 30 September 2019 has been considered in provision. In addition, the SC judgement hasn't expressed whether this effect shall be prospectively or retrospectively, the impact before 01 April 2019, if any, is not ascertainable and consequently no financial effect has been provided for in the accounts. Accordingly, this has been disclosed as a contingent liability in the financial statements.

The company does not expect any reimbursement in respect of the above contingent liabilities.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for wherever required.

Note 35 - Commitments

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts (net of advance) remaining to be executed on capital account and not provided for:		
- Tangible assets	5,633.11	362.68

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

Note 36 - Disclosure under Ind AS 115

(A) Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Revenue as per contracted price	60,907.70	56,926.87
Adjustments :		
Rebates & Discounts	1,110.08	622.65
Revenue from contract with customers	**59,797.62**	**56,304.22**

(B) Contract balances:

The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables (net of allowances for expected credit loss)(Note 9)	8,879.39	9,986.19
Contract assets e.g. Unbilled Revenue (Note 7)	57.61	527.20
Contract liabilities e.g. Overbilled Revenue (Note 17)	-	-

Changes in contract assets and liabilities are mainly on account of contractual right to consideration and is dependent on completion of contractual milestones. Contract assets are transferred to receivable when the rights become unconditional.

(C) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year:

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Amounts included in contract liabilities at the beginning of the year	-	295.54
Performance obligations satisfied in previous years, not previously recognised	-	-

(D) Unsatisfied or partially satisfied Performance Obligation

Revenue to be recognised in future related to the performance obligations that are unsatisfied or partially satisfied as at March 31, 2023 and expected to be recognised within one year is of ₹472.11 lakhs (March 31, 2022: ₹400.634 lakhs) and for more than one year is ₹ Nil (March 31, 2022: ₹ Nil).

(E) Disaggregation of revenue

The management determines that the segment information reported under Note 32 - Segment reporting is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported.

(F) Significant payment terms

Generally, the Company provides credit period in the range of 30 -120 days for customers.

Note 37 - Earnings per share

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Profit attributable to the equity holders of the Company	2,999.41	3,514.01
Less: Share issue expenses (net of taxes)	-	26.19
Profit attributable to the equity holders of the Company	2,999.41	3,487.82
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	91,73,502	87,63,536
Total basic and diluted earnings per share attributable to the equity holders of the Company	**32.70**	**39.80**

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

Note 38 - Offsetting financial assets and Liabilities

The recognised financial instruments that are offset or subject to enforceable master netting arrangements and other similar arrangements and other similar agreements, but not offset as at March 31, 2023 and March 31, 2022.

Collateral against borrowings

The Company has hypothecated / mortgaged financial instruments as collateral against a number of its borrowings. Refer note 39 (assets pledged) for further information on financial and non-financial collateral hypothecated.

Note 39 - Assets pledged as security

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Current (Present and Future)		
Second pari passu charge for all term loans and foreign currency loans from banks		
Inventories	7,297.47	11,142.53
Trade receivables	8,879.39	9,986.19
Cash and cash equivalents	1,768.57	3,135.49
Bank balances other than cash and cash equivalents	390.48	1,191.15
Balances with government authorities	2,878.76	2,200.87
Advance to suppliers	662.67	375.42
Advance to Employees	49.67	9.11
Interest accrued on deposits	89.15	76.75
Loans	545.34	24.62
Finance Lease receivables	55.46	221.01
Derivative asset	292.71	182.16
Prepaid expense	269.51	312.59
Contract assets	57.61	527.20
Total current assets pledged as security	**23,236.78**	**29,385.09**
Non-Current		
First pari passu charge for all term loans and foreign currency loans from banks		
Property, plant and equipment	34,746.50	32,210.32
Capital work-in-progress	4,897.81	1,612.07
Total	**39,644.31**	**33,822.39**

Note 39A - Disclosure as per Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 186(4) of the Companies Act, 2013

(in ₹ lakhs)

Name of the party	Relationship	Nature	As at March 31, 2023	As at March 31, 2022
Shaily Medical Plastics Private Limited	Significant Influence of KMP	Outstanding Balance	9.50	9.50
		Maximum Balance Outstanding	9.50	9.50

The above advance has been given for business purpose.

Note 39B - Disclosures under rule 16A of the Companies (Acceptance of Deposits) Rule 2014.

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Balance outstanding at the beginning of the year	13.85	13.85
Money received from Director during the year	-	-
Money (repaid) during the year	(13.85)	-
Balance outstanding at the end of the year	-	13.85

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

Note 40 - Analytical ratios

Sr. No.	Particulars	Parameter for Calculation	Year ended 31st March, 2023	Year ended 31st March, 2022	Movement	Variance	Remarks *
1	Current Ratio	Current assets / Current liabilities	1.13	1.56	-0.44	-27.85%	In the previous year the cash position was comparatively better as unspent amount of preferential issue proceeds were parked in fixed deposit led to higher current ratio as compared to current year.
2	Return on Equity Ratio	Net profit after taxes / Average shareholder's equity	0.08	0.13	-0.05	-41.09%	Reduction in profits is mainly on account of increase in Cost of goods sold in current year.
3	Net profit ratio	Net Profit/Net Sales	5.00%	6.21%	-0.01	-19.46%	
4	Return on Capital employed	EBIT/Capital Employed	14.6%	17.3%	-0.03	-15.17%	
5	Inventory turnover	Cost of goods sold or Sales / Average Inventories	3.99	4.25	-0.26	-6.03%	
6	Trade receivables turnover	Net credit sales / Average trade receivables	6.34	6.65	-0.31	-4.67%	
7	Trade payables turnover	Net Credit Purchases / Average trade payables	5.12	6.11	-1.00	-16.43%	
8	Net capital turnover ratio	Net Sales/Working Capital	22.80	5.35	17.46	326.61%	In the previous year the cash position was comparatively better as unspent amount of preferential issue proceeds were parked in fixed deposit led to lower net sales to working capital as compared to current year.
9	Debt equity ratio	Total debt / Net worth Total debt= Long term borrowings (incl. current maturities of long term borrowings) + Short term borrowings Net worth: Equity share capital + Other equity	0.47	0.47	-0.01	-2.95%	
10	Debt service coverage ratio	Profit after tax + Deferred tax + Depreciation and amortisation + Interest on debt and lease / Interest on debt and lease + Principal repayments of long term debt including lease payment	4.53	4.64	-0.11	-2.31%	
11	Return on Investment (%)	Total income/Average total assets	0.22	0.25	-0.03	-10.97%	

**In accordance with amended Schedule III, explanation shall be provided for any change in the ratio by more than 25% as compared to the ratio of preceding year.*

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

Note 41 - Note on Finance Leases

The Company has entered into Purchase Agreements with its customers for various Moulds. The agreements with customers for these assets provide for take or pay agreements as per which Customers are Committed to purchase committed Quantity of the Component from the Company over defined period of the time Falling which customers are obliged to reimburse the company for the shortage in minimum Committed quantity. The arrangement analysis pursuant to IND AS 116 "Lease" Identified an embedded finance lease and accordingly, the said arrangement has been accounted accordingly (Refer Note 6).

Amount receivable under Finance Lease (in ₹ lakhs)

Particulars	Minimum Lease receivable		Present value of minimum lease payments	
	As at March 31, 2023	As at March 31,2022	As at March 31, 2023	As at March 31, 2022
Not later than one year	61.83	307.65	55.46	221.01
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
	61.83	307.65	55.46	221.01
Unearned finance income	6.37	86.64	-	-
Present value of minimum lease payments receivable	55.46	221.01	55.46	221.01
Allowance for uncollectible lease payments	-	-	-	-

The interest rate inherent in the leases is fixed at the contract for the entire lease term.

The average effective interest rate contracted is about 37.50 % per annum.

Note 42 - Capital Management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manages the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may borrow from external parties such as banks or financial institutions. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain shareholder, creditor and stakeholder confidence to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Debt (Bank and other borrowings)	18,578.29	17,379.82
Less: Liquid Investments and bank deposits	2,159.05	4,326.65
Net Debt	16,419.25	13,053.17
Total Equity	39,563.38	36,699.02
Net Debt to Equity (Net)	0.42	0.36

Note 43 - Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2023

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Company has not revalued its Property, plant and equipment (right of use assets) or intangible asset or both during the current and previous year.

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

Note 44

The Indian Parliament has approved the Code on Social Security, 2021 (‘Code’) which may likely to impact the contributions made by the Company towards Provident Fund and Gratuity. The Company will assess the impact and its evaluation once the corresponding rules are notified and will give appropriate impact in the standalone financial statements in the period in which the Code becomes effective and the related rules are notified.

Note 45

All material events occurring after the balance sheet date upto the date of approval of financial statements by the Board of Directors on May 20, 2023, have been considered, disclosed and adjusted, wherever applicable, as per the requirements of Ind AS 10 - Events after the Reporting Period.

Note 46

The financial statements are approved for issue by the Board of Directors in their meeting held on May 20, 2023.

In terms of our report attached
For B S R & Associates LLP
Chartered Accountants
Firm’s Registration No: 116231 W/W-100024

Jeyur Shah
Partner
Membership No: 045754

Vadodara
May 20,2023

For and on Behalf of the Board of Directors
Shaily Engineering Plastics Limited
CIN : L51900GJ1980PLC065554

Mahendra Sanghvi
Executive Chairman
DIN: 00084162

Amit Sanghvi
Managing Director
DIN: 00022444

Ashish Somani
Chief Financial Officer

Dimple Mehta
Company Secretary

Vadodara
May 20,2023

Independent Auditor's Report

To
the Members of
Shaily Engineering Plastics Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Shaily Engineering Plastics Limited** (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements of such subsidiary as were audited by the other auditor(s), the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of report of the other auditor referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment and based on the consideration of report of other auditor on separate financial statements of component audited by them were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key audit matter

Revenue recognition See Note 20 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Revenue from the sale of goods and sale of service has been recognised when the control of the goods and service is transferred which is generally in accordance with the terms of sales and service contracts. We have identified the recognition of revenue as key audit matter because revenue is a key performance indicator of the Company, and therefore there is an inherent risk that revenue is overstated to meet financial expectations or targets. The company has various customers with different terms of trade which increase the risk of error in the timing of revenue recognition.	Our procedures included the following : 1. Obtain understanding of and assessing the design, implementation and operating effectiveness of the Company's key internal financial controls in relation to revenue recognition. 2. Inspecting customer contracts, on random sample basis to identify the terms and conditions relating to the transfer of control of the products sold and services provided and assessing the Company's timing of revenue recognition. 3. Identified significant terms and deliverables in contract to assess management's conclusion regarding the (i) identification of distinct performance obligation (ii) Allocating the transaction price to the performance obligation in the contract. 4. Comparing on random sample basis revenue transaction recorded before the financial year end with relevant underlying documents including gate outward register and shipping documents to assess whether revenue from sale of goods has been recognised in the appropriate financial period and 5. Circulation of selected balance confirmation to customers on random sample basis and reconciling the differences if any on amounts confirmed by customer and amounts recorded by management.

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

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Holding Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable under the applicable laws and regulations.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of each company.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are

based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

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

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

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

Other Matter

a. We did not audit the financial statements of subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of Rs 2,345.25 lakhs as at 31 March 2023, total revenues (before consolidation adjustments) of Rs 735.76 lakhs and net cash outflows amounting (before consolidation adjustments) to Rs 234.03 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiary, as were audited by other auditor, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.

   c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written presentation received from the directors of the Holding Company as on 1 April 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

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

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 34 to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company being the only company incorporated in India during the year ended 31 March 2023.

d (i) The management of the Holding Company whose financial statements have been audited under the Act represented to us that, to the best of its knowledge and belief, as disclosed in the Note 43 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Holding Company whose financial statements have been audited under the Act represented to us that, to the best of its knowledge and belief, as disclosed in the Note 43 to the consolidated financial statements, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Holding Company incorporated in India has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company, being the only Company to which such requirements of the Act are applicable, to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Jeyur Shah
Partner
Membership No.: 045754
ICAI UDIN:23045754BGRIJG5192

Place: Vadodara
Date: 20 May 2023

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Shaily Engineering Plastics Limited for the year ended 31 March 2023

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

(xxi) In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, has unfavourable remarks, qualification or adverse remarks given by its respective auditor in their report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Sub sidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Shaily Engineering Plastics Limited	L51900GJ1980 PLC065554	Holding Company	3(ii) (b)

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

Jeyur Shah
Partner
Membership No.: 045754
ICAI UDIN:23045754BGRIJG5192

Place: Vadodara
Date: 20 May 2023

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Shaily Engineering Plastics Limited for the year ended 31 March 2023

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of Shaily Engineering Plastics Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company , as of that date.

In our opinion, the Holding Company, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Jeyur Shah
Partner
Membership No.: 045754
ICAI UDIN:23045754BGRIJG5192

Place: Vadodara
Date: 20 May 2023

Consolidated Balance Sheet as at March 31, 2023

(in ₹ lakhs)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
a) Property, plant and equipment	3	34,791.43	32,236.27
b) Capital work-in-progress	3A	4,897.81	1,612.07
c) Right-of-use asset	3B	112.99	160.25
d) Other intangible assets	4	1,789.77	898.06
e) Intangible assets under development	4A	1,928.32	1,250.19
f) Financial assets			
i. Investments	5	0.08	0.08
ii. Other financial assets	6	47.08	341.91
g) Income tax assets (net)		208.24	197.44
h) Other non-current assets	7	1,720.62	1,001.07
Total non-current assets		**45,496.34**	**37,697.34**
Current assets			
a) Inventories	8	7,297.47	11,142.53
b) Financial assets			
i. Trade receivables	9	9,192.50	10,169.12
ii. Cash and cash equivalents	10	1,913.77	3,514.72
iii. Bank balances other than cash and cash equivalents	11	390.48	1,191.15
iv. Loans	12	545.34	24.62
v. Other financial assets	6	447.89	479.92
c) Other current assets	7	3,983.94	3,500.56
Total current assets		**23,771.39**	**30,022.62**
TOTAL ASSETS		**69,267.73**	**67,719.96**
EQUITY AND LIABILITIES			
EQUITY			
a) Equity share capital	13(a)	917.35	917.35
b) Other equity	13(b)	39,222.48	35,782.29
TOTAL EQUITY		**40,139.83**	**36,699.64**
LIABILITIES			
Non-current liabilities			
a) Financial liabilities			
i. Borrowings	14	6,253.46	10,159.47
ii Lease Liability	28	77.76	120.61
iii. Other financial liabilities	19	33.86	105.56
b) Provisions	16	233.16	182.16
c) Deferred tax liabilities (Net)	27(c)	1,702.71	1,317.57
d) Other non-current liabilities	17	10.19	172.98
Total non-current liabilities		**8,311.14**	**12,058.35**
Current liabilities			
a) Financial liabilities			
i. Borrowings	15	12,324.83	7,220.35
ii Lease Liability	28	38.20	44.38
iii. Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	18	505.98	958.84
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	18	4,879.04	7,597.24
iv. Other financial liabilities	19	1,035.77	776.09
b) Other current liabilities	17	1,912.86	2,275.39
c) Provisions	16	120.08	89.68
Total current liabilities		**20,816.76**	**18,961.97**
TOTAL LIABILITIES		**29,127.90**	**31,020.32**
TOTAL EQUITY AND LIABILITIES		**69,267.73**	**67,719.96**

Notes forming part of the Financial Statements 1-47

In terms of our report attached
For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231 W/W-100024

For and on Behalf of the Board of Directors
Shaily Engineering Plastics Limited
CIN : L51900GJ1980PLC065554

Mahendra Sanghvi
Executive Chairman
DIN: 00084162

Amit Sanghvi
Managing Director
DIN: 00022444

Jeyur Shah
Partner
Membership No: 045754

Ashish Somani
Chief Financial Officer

Dimple Mehta
Company Secretary

Vadodara
May 20,2023

Vadodara
May 20,2023

Consolidated Statement of Profit & Loss for the year ended March 31, 2023

(in ₹ lakhs)

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31,2022
Income			
Revenue from operations	20	60,706.58	56,770.68
Other income	21	450.44	882.74
Total income		**61,157.02**	**57,653.42**
Expenses			
Cost of materials consumed	22(a)	36,822.60	37,904.11
Changes in inventories of finished goods and work-in-progress	22(b)	1,825.64	(2,154.62)
Power and fuel		2,646.30	2,692.17
Employee benefits expense	23	4,793.78	4,332.92
Finance costs	24	1,788.23	1,694.48
Depreciation and amortization expense	25	3,330.55	2,653.74
Other expenses	26	5,429.19	5,877.24
Total expenses		**56,636.28**	**53,000.04**
Profit before tax		**4,520.74**	**4,653.38**
Income tax expense			
- Current tax	27	595.45	833.60
- Tax expense for earlier periods	27	-	9.77
- Deferred tax	27	410.31	283.38
Total tax expense		**1,005.76**	**1,126.75**
Profit for the year		**3,514.98**	**3,526.63**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post employment benefit obligations		(149.50)	(20.96)
- Income tax relating to above		37.63	5.28
Items that will be reclassified to profit or loss			
- Effective portion of gains on hedging instrument in cash flow hedges		(31.00)	63.64
- Exchange differences in translating the financial statements of foreign operations		80.53	(16.04)
- Income tax relating to above		(12.47)	(11.98)
Other Comprehensive Income net of income tax for the year		**(74.81)**	**19.94**
Total Comprehensive Income for the year		**3,440.17**	**3,546.56**
Earning per Equity Share (Face value of ₹10 each)			
Basic and Diluted	37	38.32	39.94

Notes forming part of the Financial Statements 1-47

In terms of our report attached
For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231 W/W-100024

Jeyur Shah
Partner
Membership No: 045754

Vadodara
May 20,2023

For and on Behalf of the Board of Directors
Shaily Engineering Plastics Limited
CIN : L51900GJ1980PLC065554

Mahendra Sanghvi
Executive Chairman
DIN: 00084162

Amit Sanghvi
Managing Director
DIN: 00022444

Ashish Somani
Chief Financial Officer

Dimple Mehta
Company Secretary

Vadodara
May 20,2023

Consolidated Statement of Cash Flow for the year ended March 31, 2023

(in ₹ lakhs)

	Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Cash flow from operating activities**			
	Profit before tax		4,520.74	4,653.38
	Adjustments for:			
	Depreciation and amortization expense	3	3,330.55	2,653.74
	Loss/(Gain) on sale of property, plant and equipment	21	0.83	(2.70)
	Interest income	21	(282.05)	(225.27)
	Interest Income on Income Tax refund		(7.88)	-
	Interest component on account of Fair valuation of loan	21	(134.70)	(77.83)
	Provision of slow and non moving inventory	8	128.26	70.48
	Finance costs	24	1,788.23	1,694.48
	Allowance for expected credit losses on trade receivable	26	35.36	109.15
	Mark to Market Loss on Derivative Contracts	26	149.29	-
	Net unrealised exchange (gain)/loss	21	128.72	(157.81)
	Provision for doubtful advances to supplier		-	87.46
	Operating profit before working capital changes		**9,657.35**	**8,805.08**
	Adjustments for:			
	(Increase)/Decrease in trade receivables	9	941.26	(3,324.85)
	(Increase) in other receivables and advances	7	(1,004.17)	(316.02)
	(Increase)/Decrease in inventories	8	3,716.80	(4,526.15)
	Decrease in other financial assets	6	200.55	166.77
	Increase/(Decrease) in trade payables	18	(3,276.38)	3,897.26
	Increase/(Decrease) in other liabilities and provisions	17	(638.92)	1,439.64
	Cash generated from operations		**9,596.49**	**6,141.73**
	Taxes paid (net of refunds)		(598.36)	(640.89)
	Net cash generated from operating activities		**8,998.13**	**5,500.84**
B	**Cash flow from investing activities**			
	Payment for purchases of property, plant and equipment (including capital advances and capital creditors)	3	(9,441.60)	(11,107.36)
	Payment for purchases of intangibles and Intangibles under development		(1,722.40)	(970.94)
	Proceeds from disposal of property, plant and equipment	3	7.36	6.50
	Interest received	21	269.65	155.07
	Proceeds/(Investment) in fixed deposit (Net)	11	800.68	(997.78)
	Net cash flow (used in) investing activities		**(10,086.31)**	**(12,914.51)**
C	**Cash flow from financing activities**			
	Proceeds from long term borrowings		-	1,380.00
	Repayment of long term borrowings		(3,817.24)	(2,706.09)
	Proceeds/(Repayment) of working capital loans (net)		4,997.37	(1,181.30)
	Proceeds from issue of preferential share capital		-	14,966.51
	Repayment on lease liabilities		(60.42)	(49.10)
	Finance costs paid	24	(1,632.44)	(1,581.42)
	Net cash flow (used in)/generated from financing activities		**(512.73)**	**10,828.60**
D	**Net (decrease)/ increase in cash and cash equivalents**		**(1,600.91)**	**3,414.93**
	Cash and cash equivalents as at beginning of the year		3,514.72	98.25
	Impact of exchange loss		(0.04)	1.54
	Cash and cash equivalents as at end of the year		**1,913.77**	**3,514.72**

Consolidated Statement of Cash Flow for the year ended March 31, 2023

(in ₹ lakhs)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Reconciliation of cash and cash equivalents as per financial statement :			
Cash and cash equivalents comprise :			
a) Balances with banks			
In current accounts		151.31	559.35
In EEFC accounts		55.03	152.43
b) Cash on Hand		7.43	2.94
c) Deposits with bank (Original maturity less than 3 Months)		1,700.00	2,800.00
Total		**1,913.77**	**3,514.72**

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

(ii) Change in Liabilities arising from Financing Activities:

Analysis of changes in net debt	As at March 31, 2022	Cash inflow/ (outflow)	Non - cash		As at March 31, 2023
			Fair value adjustments (including foreign exchange rate movements)	Others on account of debt issuance cost	
Current Borrowings (including Cash Credit/ Packing Credit)	3,305.87	4,997.36	-	-	8,303.23
Non-Current Borrowings (including current maturities of Non-Current Borrowings)	14,073.96	(3,817.24)	-	18.34	10,275.06
Net debt	**17,379.83**	**1,180.12**	**-**	**18.34**	**18,578.29**

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

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

In terms of our report attached
For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231 W/W-100024

Jeyur Shah
Partner
Membership No: 045754

Vadodara
May 20,2023

For and on Behalf of the Board of Directors
Shaily Engineering Plastics Limited
CIN : L51900GJ1980PLC065554

Mahendra Sanghvi
Executive Chairman
DIN: 00084162

Amit Sanghvi
Managing Director
DIN: 00022444

Ashish Somani
Chief Financial Officer

Dimple Mehta
Company Secretary

Vadodara
May 20,2023

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

Equity share capital

(in ₹ lakhs)

Particulars	Amount
As at April 01,2021	831.84
Changes in equity share capital	85.51
As at March 31,2022	917.35
Changes in equity share capital	-
As at March 31,2023	**917.35**

Other equity

Particulars	Reserves and surplus				Other components of Equity		Total other equity
	Securities premium	General reserve	Capital reserve	Retained earning	Cash flow hedge reserve	Currency translation reserve	
As at April 01,2021	**3,207.51**	**191.58**	**92.91**	**13,825.39**	**37.32**	**-**	**17,354.70**
*Addition during the Year	14,881.01						14,881.01
Profit for the year		-	-	3,526.63	-	-	3,526.63
Other comprehensive income/ (Loss) (Net of tax)	-	-	-	(15.68)	47.62	(12.00)	19.94
Total comprehensive income for the year	**14,881.01**	**-**	**-**	**3,510.95**	**47.62**	**(12.00)**	**18,427.58**
As at March 31,2022	**18,088.52**	**191.58**	**92.91**	**17,336.34**	**84.94**	**(12.00)**	**35,782.29**
As at April 01,2022	**18,088.52**	**191.58**	**92.91**	**17,336.34**	**84.94**	**(12.00)**	**35,782.29**
Profit for the year	-	-	-	3,514.98	-	-	3,514.98
Other comprehensive income/ (Loss) (Net of tax)	-	-	-	(111.87)	(23.19)	60.26	(74.81)
Total comprehensive income for the year	**-**	**-**	**-**	**3,403.11**	**(23.19)**	**60.26**	**3,440.17**
As at March 31,2023	**18,088.52**	**191.58**	**92.91**	**20,739.44**	**61.75**	**48.26**	**39,222.48**

** Addition during the previous year is net off share issue expenses of Rs 35 lakhs on account of preferential issue of equity shares.*

Nature and purpose of other reserves

1. Securities premium

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

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

2. General reserve

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

3. Capital reserve

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

4. Cash flow hedge reserve

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

5. Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

6. Foreign currency translation reserve

Foreign currency translation reserve related to the accumulated gain or loss resulting from the translation of financial statements of subsidiary company denominated in a foreign currency into the Parent company's reporting currency.

In terms of our report attached
For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231 W/W-100024

Jeyur Shah
Partner
Membership No: 045754

Vadodara
May 20,2023

For and on Behalf of the Board of Directors
Shaily Engineering Plastics Limited
CIN : L51900GJ1980PLC065554

Mahendra Sanghvi
Executive Chairman
DIN: 00084162

Amit Sanghvi
Managing Director
DIN: 00022444

Ashish Somani
Chief Financial Officer

Dimple Mehta
Company Secretary

Vadodara
May 20,2023

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

Note 1: Corporate Information

Shaily Engineering Plastics Limited ("the Group" or "the Company") is a Public Company, limited by shares, incorporated and domiciled in India under the provisions of Companies Act, applicable in India, with its registered office in Savli, District Vadodara, Gujarat. Its equity shares are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. The Group is engaged in the manufacture of customized components made up of plastic and other materials and sale of design and development of medical equipments.

Note 2 - I: Significant accounting policies

a) Basis of preparation and measurement

i) Compliance with Ind AS

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

ii) Historical cost convention

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

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

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

b) Segment reporting

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

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

c) Foreign currency transactions and translations

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

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

d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 March 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities

e) Revenue and income recognition

Revenue from contracts with customers

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

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

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

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

determining the transaction price, the Group considers below, if any:

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

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

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

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

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

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

Export incentives
Export incentive available under prevalent scheme is accrued in the year when the right to receive credit as per the term of scheme is established in respect of exports made and accounted to the extent there is no significant uncertainty about the measurability and ultimate utilization of such duty credit. The same forms part of other non operating income of the Group.

f) Income tax

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

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

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

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

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

g) Leases

Ind AS 116 – Leases:

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

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

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

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

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

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

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

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

h) Impairment of assets

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

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

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

i) Cash and cash equivalents

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

j) Inventories

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

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

k) Financial assets and liabilities

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

Financial assets

Initial recognition and measurement

A financial asset is recognised in the balance sheet when the Group becomes party to the contractual provisions of the instrument. All financial assets are recognised initially at

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial assets. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

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

a) Financial assets measured at amortised cost;

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

c) Financial assets measured at fair value through statement of profit and loss (FVTPL).

The Group classifies its financial assets in the above mentioned categories based on:

a) The Group's business model for managing the financial assets;

b) The contractual cash flows characteristics of the financial asset.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

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

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

a) The financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets; and

b) The asset's contractual cash flows represent SPPI.

Financial assets measured at fair value through the statement of profit and loss (FVTPL)

FVTPL is a residual category. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

a) The contractual rights to the cash flows from the financial asset have expired, or

b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through 'arrangement; and either:

    i) i) The Group has transferred substantially all the risks and rewards of the asset, or

    ii) The Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Impairment of financial assets

The Group assesses impairment based on expected credit loss (ECL) model to the following:

a) Financial assets measured at amortised cost;

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

Expected credit losses are measured through a loss allowance at an amount equal to:

a) The 12 month's expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

b) Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Group follows a 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable which is adjusted for management's

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value.

The Group's financial liabilities include trade and other payables.

Subsequent measurement

a) Financial liabilities measured at amortised cost;

b) Financial liabilities subsequently measured at fair value through statement of profit and loss (FVTPL)

Trade and other payables

These amounts represent liability for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet when, and only when, there is a legally enforceable right to offset the recognised amount and there is intention either to settle on net basis or to realise the assets and to settle the liabilities simultaneously.

l) Property, plant and equipment

Recognition and measurement

Items of PPE are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Capital work-in-progress is stated at cost. All the direct expenditure related to implementation including incidental expenditure incurred during the period of implementation of a project, till it is commissioned, is accounted as Capital work-in-progress and after commissioning the same is transferred / allocated to the respective item of PPE. Pre-operative costs, being indirect in nature, are expensed to the Statement of Profit and Loss as and when incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Any gain or loss on disposal of an item of PPE is recognised in the Statement of Profit and Loss.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation methods, estimated useful lives and residual value.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives which are in accordance with Schedule II to the Companies Act, 2013. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other incomes/expenses.

Classes of assets and their estimated useful lives:

Nature	Useful Life
Temporary Structure	3
Factory Building	30
Plant & Machinery	5-15
Tools and Equipments	5-15
Electrical Installation	10
Furniture & Fixtures	10
Office equipment	5
Computer Hardware	3
Vehicles	8

m) Intangible assets

Recognition and measurement

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Statement of Profit and Loss as incurred.

Amortisation

Intangible assets are amortised over the estimated period of benefit i.e. 3 to 10 years.

n) Intangible assets under development

The Group expenses costs incurred during research phase to profit or loss in the year in which they are incurred. Development phase expenses are initially recognised as intangible assets under development until the development phase is complete, upon which the amount is capitalised as an intangible asset.

o) Borrowings costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

p) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursements.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

a) A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;

b) A present obligation arising from the past events, when no reliable estimate is possible;

c) A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

q) Employees Benefits

(i) Short-term obligations

Liabilities for wages and salaries and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

(ii) Long-term obligations

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service and measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields on government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

- defined benefit plans such as gratuity, and
- defined contribution plans such as provident fund and superannuation fund

a) Defined benefit plans

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

Remeasurements of net defined benefit liability which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of asset ceiling (if any excluding interest) are recognized in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of the contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost or past service gain') or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on settlement of a defined benefit plan when the settlement occurs.

b) Defined contribution plans

The Group pays provident fund contributions to publicly administered provident funds and employee state insurance corporation (ESIC) as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Superannuation Fund Contribution towards superannuation fund for qualifying employees as per the Group's policy is made to Life Insurance Corporation of India where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from contribution made on monthly basis.

r) Dividend

The Group recognises a liability to pay dividend to equity holders when the distribution is authorised, and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

s) Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the Group by the weighted average number of equity shares outstanding during the financial year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share, adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

t) Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakhs up to two decimals as per the requirement of Schedule III, unless otherwise stated.

u) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the consolidated statement of profit and loss.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

v) Derivative and Hedging Activities

The Group uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations associated with borrowings (cash flow hedges). When the Group opts to undertake hedge accounting, the Group documents, at the inception of the hedging transaction, the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows or fair values of hedged items. The Group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges, is recognized through OCI and as cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in equity are reclassified to the Statement of Profit and Loss on settlement.

When the hedged forecast transaction results in the recognition of a non-financial asset, the amounts accumulated in equity with respect to gain or loss relating to the effective portion of the spot component of forward contracts, both the deferred hedging gains and losses and the deferred aligned forward points are included within the initial cost of the asset. The deferred amounts are ultimately recognised in the Statement of Profit and Loss as the hedged item affects profit or loss. When a hedging instrument expires, is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively and any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately transferred to the Statement of Profit and Loss.

Note 2 - II: Use of estimates and judgements

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

The area involving critical estimates or judgements is:

- **Employee benefit plans**

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

The Group's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

- **Embedded lease arrangement**

  The Mould required with respect to the arrangement with customer for customised manufacturing, is identified as embedded lease arrangement, as per Note 41, considering commitment by the customer in agreement with the group. Over this period, customer commits to purchase definite quantity of product from the group at fixed price per unit, failing which customer commits to pay to the group for the unsold quantity of the product) at such fixed rate per unit.

- **Useful lives and residual value of property, plant and equipment**

  The Group reviews the useful life and residual value of property, plant and equipment at the end of each reporting period. This reassessment may result in a change in depreciation expense in future periods.

- **Expected Credit Loss**

  In accordance with Ind AS 109, the Group follows 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL). The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

- **Income taxes**

  Significant judgements are involved in determining the provision for income taxes, including the amount expected to be paid / recovered for uncertain tax positions.

New and revised Indian Accounting Standards in issue but not yet effective*

Following are the amendments to existing standards (as notified by Ministry of Corporate Affairs (MCA) on 31st March 2023) which are effective for annual periods beginning after 1st April 2023. The Group intends to adopt these standards or amendments from the effective date, as applicable and relevant. These amendments are not expected to have a significant impact on the Group's financial statements. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group when it will adopt the respective standards.

Amendments to Ind AS 1 Presentation of Financial Statements – Disclosure of Accounting Policies:

The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The supporting paragraph in Ind AS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Group does not expect the amendment to have a significant impact in its financial statements.

Amendments to Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors— Definition of Accounting Estimates:

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group does not expect the amendment to have a significant impact in its financial statements.

Amendments to Ind AS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction:

Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying Ind AS 116 Leases at the commencement date of a lease. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognized for all deductible and taxable temporary differences associated with leases and decommissioning obligations. The Group does not expect the amendment to have a significant impact in its financial statements.

Notes forming part of the Consolidated financial statements
as at and for the year ended March 31, 2023

Note 3 - Property, plant and equipment

(in ₹ lakhs)

Particulars	Freehold Land	Leasehold Land (Refer note i)	Buildings	Plant and Machinery	Plant and Machinery - R&D	Electrical Installations	Electrical Installations - R&D	Tools and Equipment	Tools and Equipment - R&D	Furniture and Fixtures	Office Equipment	Computer Hardwares	Roads	Vehicles	Total (A)	Capital work-progress (B)
Gross carrying amount as April 01,2021	1,880.57	9.20	6,824.81	13,837.52	199.17	1,369.58	3.76	4,192.37	80.95	248.68	137.98	218.55	20.36	647.26	29,670.76	2,305.49
Additions	-	-	3,004.08	5,926.66	-	425.08	-	2,877.19	-	208.68	69.01	95.89	-	30.25	12,636.84	11,943.42
Disposals/Capitalisation	-	-	-	(19.85)	-	-	-	-	-	-	-	-	-	(44.96)	(64.81)	(12,636.84)
Exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost as at March 31,2022	**1,880.57**	**9.20**	**9,828.89**	**19,744.33**	**199.17**	**1,794.66**	**3.76**	**7,069.56**	**80.95**	**457.36**	**206.99**	**314.44**	**20.36**	**632.55**	**42,242.79**	**1,612.07**
Accumulated Depreciation as at April 01,2021	-	-	712.14	5,293.82	11.01	407.20	0.33	648.69	4.04	127.22	56.37	111.59	17.33	195.30	7,585.04	-
Depreciation for the year	-	-	282.07	1,487.63	10.50	148.88	0.36	351.56	4.72	27.91	27.58	64.16	0.67	76.44	2,482.49	-
Disposals	-	-	-	(27.19)	-	-	-	-	-	-	-	-	-	(33.82)	(61.01)	-
Accumulated Depreciation as at March 31,2022	**-**	**-**	**994.21**	**6,754.26**	**21.51**	**556.08**	**0.69**	**1,000.25**	**8.76**	**155.13**	**83.95**	**175.75**	**18.00**	**237.92**	**10,006.52**	**-**
Net carrying amount as at March 31,2022	**1,880.57**	**9.20**	**8,834.68**	**12,990.07**	**177.66**	**1,238.58**	**3.07**	**6,069.31**	**72.19**	**302.23**	**123.04**	**138.69**	**2.36**	**394.63**	**32,236.27**	**1,612.07**
Gross carrying amount as April 01,2022	1,880.57	9.20	9,828.89	19,744.33	199.17	1,794.66	3.76	7,069.56	80.95	457.36	206.99	314.44	20.36	632.55	42,242.79	1,612.07
Additions	-	-	680.84	2,237.19	-	81.84	-	2,353.92	-	183.24	31.24	65.67	60.18	-	5,694.12	8,979.86
Disposals/Capitalisation					(79.74)									(42.45)	(122.19)	(5,694.12)
Cost as at March 31,2023	**1,880.57**	**9.20**	**10,509.73**	**21,981.51**	**119.44**	**1,876.50**	**3.76**	**9,423.48**	**80.95**	**640.61**	**238.22**	**380.11**	**80.55**	**590.09**	**47,814.72**	**4,897.81**
Accumulated Depreciation as at April 01, 2022	-	-	994.21	6,754.26	21.51	556.08	0.69	1,000.25	8.76	155.13	83.95	175.75	18.00	237.92	10,006.51	-
Depreciation for the year	-	-	340.70	1,861.41	-	168.97	-	506.81	-	47.38	36.68	75.40	14.41	78.98	3,130.73	-
Disposals	-	-	-	(75.77)	-	-	-	-	-	-	-	-	-	(38.25)	(114.02)	-
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-	0.07	-	-	0.07	-
Accumulated Depreciation as at March 31,2023	**-**	**-**	**1,334.91**	**8,539.90**	**21.51**	**725.05**	**0.69**	**1,507.06**	**8.76**	**202.51**	**120.63**	**251.22**	**32.42**	**278.64**	**13,023.29**	**-**
Net carrying amount as at March 31,2023	**1,880.57**	**9.20**	**9,174.82**	**13,441.62**	**97.93**	**1,151.45**	**3.07**	**7,916.42**	**72.19**	**438.10**	**117.59**	**128.89**	**48.13**	**311.45**	**34,791.43**	**4,897.81**

Notes:

(i) The company has acquired land for 99 years lease with an option to continue for another 99 years.

(ii) Refer note 39 for assets pledged as security.

(iii) Refer note 35 for disclosure of contractual obligations for acquisition of plant, property and equipment.

(iv) Addition includes borrowing cost of ₹ Nil (March 31, 2022: ₹97.25 Lakhs) capitalised using the rate base on specific borrowings ranging from 7.20% to 9.06%.

(v) Capital work in progress for the year ended March 31, 2023 and March 31, 2022 includes mainly plant & machinery, tools and equipments, building, electrification and preoperative expenses for New business projects expansion.

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

Note 3A - Capital-Work-in Progress (CWIP) ageing Schedule for the year ended:

As on March 31,2023:

(in ₹ lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	4,897.81	-	-	-	4,897.81
Projects temporarily suspended	-	-	-	-	-
Total	**4,897.81**	**-**	**-**	**-**	**4,897.81**

As on March 31,2022:

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	1,604.62	7.45	-	-	1,612.07
Projects temporarily suspended	-	-	-	-	-
Total	**1,604.62**	**7.45**	**-**	**-**	**1,612.07**

Note:

The projects mentioned above are expected to be completed as per plan and there are no projects which are overdue or has exceeded its cost compared to its original plan.

Note 3B - Right-of-use assets

(in ₹ lakhs)

	Buildings	Total
Gross carrying amount as April 01,2022	201.98	201.98
Additions during the year	-	-
Deductions / Adjustments during the year	-	-
Gross carrying amount as at March 31,2023	**201.98**	**201.98**
Accumulated depreciation as at April 01, 2022	41.73	41.73
Depreciation for the year	47.26	47.26
Deductions during the year	-	-
Accumulated depreciation as at March 31,2023	88.99	88.99
Net carrying amount as at March 31,2023	**112.99**	**112.99**
Gross carrying amount as April 01,2021	-	-
Additions during the year	201.98	201.98
Deductions / Adjustments during the year	-	-
Gross carrying amount as March 31,2022	**201.98**	**201.98**
Accumulated depreciation as April 01,2021	-	-
Depreciation for the year	41.73	41.73
Deductions during the year	-	-
Accumulated depreciation as March 31, 2022	41.73	41.73
Net carrying amount as at March 31, 2022	**160.25**	**160.25**

(i) (i) Lease contracts entered by the Company majorly pertains for building taken on lease to conduct its business in the ordinary course.

(ii) Lease expenses of ₹17.75 Lakhs and ₹39.06 lakhs recognised in statement of profit and loss in other expenses for the year ended March 31,2023 and March 31,2022 respectively towards short-term leases, lease of low value assets and variable lease rental not included in measurement of lease liability.

(iii) Extension and termination options are included in some of the lease contracts. These are used to maximise operational flexibility in terms of managing assets used in Company's operations.

(iv) Lease obligations, interest expense on lease, maturity profile of lease obligation and payment of lease obligations are disclosed respectively in Balance Sheet, Finance cost, Liquidity risks and statement of cash flows.

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

Note 4 - Intangible assets

(in ₹ lakhs)

Particulars	Copyright & Patents	Computer Software	Computer Software (R&D)	Total (A)	Intangible under development (B)
Cost as at April 01,2021	459.09	352.16	28.92	840.17	731.27
Additions	406.67	22.67	-	429.34	541.59
Capitalisation	-	-	-	-	(22.67)
Cost as at March 31,2022	**865.76**	**374.83**	**28.92**	**1,269.51**	**1,250.19**
Accumulated amortisation as at April 1, 2021	94.08	139.81	8.10	241.99	-
Amortisation charge for the period	41.84	83.83	3.79	129.46	-
Accumulated amortisation as at March 31,2022	**135.92**	**223.64**	**11.89**	**371.45**	**-**
Net carrying amount as at March 31,2022	**729.84**	**151.19**	**17.03**	**898.06**	**1,250.19**
Cost as at April 01,2022	865.76	374.83	28.92	1,269.51	1,250.19
Additions	1,012.01	32.26	-	1,044.27	1,722.40
Capitalisation	-	-	-	-	(1,044.27)
Cost as at March 31,2023	**1,877.77**	**407.09**	**28.92**	**2,313.78**	**1,928.32**
Accumulated amortisation as at April 01,2022	135.92	223.64	11.89	371.45	-
Amortisation charge for the year	79.43	73.13	-	152.56	-
Accumulated amortisation as at March 31,2023	215.35	296.77	11.89	524.01	-
Net carrying amount as at March 31,2023	**1,662.42**	**110.32**	**17.03**	**1,789.77**	**1,928.32**

Note 4A - Intangible Assets under Development (IAUD) ageing Schedule for the year ended:

As at March 31, 2023:

IAUD	Amount in IUAD for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	1,660.12	246.81	17.96	3.43	1,928.32
Projects temporarily suspended	-	-	-	-	-
Total	**1,660.12**	**246.81**	**17.96**	**3.43**	**1,928.32**

As at March 31, 2022:

IAUD	Amount in IUAD for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	516.42	340.97	242.31	150.49	1,250.19
Projects temporarily suspended	-	-	-	-	-
Total	**516.42**	**340.97**	**242.31**	**150.49**	**1,250.19**

Note:

The projects mentioned above are expected to be completed as per plan and there are no projects which are overdue or has exceeded its cost compared to its original plan.

Note 5 - Non-current investments

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in equity instruments (fully paid-up) at FVOCI (Unquoted)		
1,19,000 (March 31, 2022: 1,19,000) Shares of Panax Appliances Pvt Ltd fully paid up Equity Shares of ₹10/- each	11.90	11.90
Less : Impairment allowances for investment	(11.90)	(11.90)
325 (March 31, 2022: 325) Shares of The Citizen Co-Operative Credit Society Ltd, fully paid up Equity shares of ₹25/- each	0.08	0.08
Total Investment in Equity	**0.08**	**0.08**

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

Note 5 - Non-current investments *(Contd.)*

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in Preference shares (fully paid up) at amortised cost (Unquoted)		
8,71,000 (March 31, 2022: 8,71,000) 6 % Cumulative Redeemable Preference Shares of ₹4/- each of Panax Appliances Pvt Ltd fully paid up	27.04	27.04
Less : Impairment allowances for investment	(27.04)	(27.04)
Total investment in preference shares	-	-
Total investments	**0.08**	**0.08**
Aggregate amount of unquoted investments	39.02	39.02
Aggregate amount of Impairment in value of investment	38.94	38.94

Note 6 - Other financial assets

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Security deposits	47.08	51.08
Derivative asset	-	290.83
Total non-current	**47.08**	**341.91**
Current		
Interest accrued on deposits	89.15	76.75
Finance lease receivable	55.46	221.01
Derivative asset	292.71	182.16
Others financial assets	10.57	-
Total current	**447.89**	**479.92**

Note 7 - Other assets

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Capital advances	1,556.04	825.98
Prepaid expenses	8.23	19.69
Balances with government authorities	156.35	155.40
Total Non-Current	**1,720.62**	**1,001.07**
Current		
Prepaid expenses	291.68	312.59
Contract assets*	57.61	527.20
Advance to suppliers	662.67	375.42
Advance to employees	52.98	9.11
Balances with government authorities	2,919.00	2,276.24
Total Current	**3,983.94**	**3,500.56**

**Classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.*

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

Note 8 - Inventories (Valued at lower of cost and net realisable value)

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials and components	3,610.79	5,548.32
(Goods in transit March 31, 2023: ₹871.44 lakhs, March 31,2022: ₹1,089.93 lakhs)		
Work-in-progress	1,318.15	1,727.17
Finished goods	1,710.75	3,127.37
Stores and spares	405.34	333.21
Packing materials	252.44	406.46
Total	**7,297.47**	**11,142.53**

The Company follows suitable provisioning norms for written down the value of inventories towards slow moving and non moving inventory. Provision for the slow moving and non moving inventories during the year is ₹128.26 lakhs (March 31, 2022: ₹70.48 Lakhs).

Refer note 39 for assets pledged as security.

Note 9 - Trade receivables

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Trade Receivable considered good - Unsecured	9,192.50	10,169.12
b) Trade Receivable which have been Significant increase in Credit Risk	198.33	162.97
d) Trade Receivable Credit Impaired	-	-
Less : Allowance for expected credit loss	(198.33)	(162.97)
Total	**9,192.50**	**10,169.12**

Refer note 39 for assets pledged as security.

(i) Trade Receivable ageing schedule:

As at March 31, 2023:

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	7,662.49	1,348.35	28.86	146.35	3.77	2.68	9,192.50
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	30.15	16.57	19.17	125.31	4.17	2.96	198.33
	7,692.64	1,364.92	48.03	271.66	7.94	5.64	9,390.83
Less : Allowance for expected credit loss							(198.33)
Total							**9,192.50**

As at March 31, 2022:

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	7,579.41	2,222.04	328.81	12.61	18.27	7.98	10,169.12
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	19.13	33.03	90.66	3.56	11.55	5.04	162.97
							10,332.09
Less : Allowance for expected credit loss							(162.97)
Total							**10,169.12**

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

Note 10 - Cash and cash equivalents

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Balances with banks		
In current accounts	151.31	559.35
In EEFC accounts	55.03	152.43
b) Cash on Hand	7.43	2.94
c) Deposits with bank (Original maturity less than 3 Months)	1,700.00	2,800.00
Total	**1,913.77**	**3,514.72**

Note 11 - Bank balances other than cash and cash equivalents

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
In earmarked accounts		
Unpaid dividend accounts	2.10	2.77
Balances held as margin money (less than 12 months but more than 3 months maturity)*	388.38	388.38
Deposits with bank	-	800.00
Total	**390.48**	**1,191.15**

** Balance held as margin money are pertaining to deposits marked as lien against letter of credit and bank guarantee.*

Note 12 - Loans (Unsecured, considered good)

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
(Unsecured Considered good)		
Loan to Employees	45.34	24.62
(Secured Considered good)		
Intercorporate Deposit	500.00	-
Total	**545.34**	**24.62**

Note 13 (a) - Share capital

The authorised, issued, subscribed and fully paid-up share capital comprises of the following:

(i) Authorised share capital

(in ₹ lakhs)

Particulars	Number of shares	Amount
As at March 31,2022 (Equity shares of ₹10 each)	1,60,00,000	1,600.00
As at March 31,2023 (Equity shares of ₹10 each)	1,60,00,000	1,600.00

(ii) Issued, Subscribed and fully paid up

(in ₹ lakhs)

Particulars	Number of shares	Amount
As at March 31,2022 (Equity shares of ₹10 each)	91,73,502	917.35
As at March 31,2023 (Equity shares of ₹ 10 each)	91,73,502	917.35

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

(iii) Reconciliation of number of shares (in ₹ lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
Opening balance	91,73,502	917.35	83,18,430	831.84
Issued during the year*	-	-	8,55,072	85.51
Closing balance	**91,73,502**	**917.35**	**91,73,502**	**917.35**

* During the previous year, company has allotted additional 8,55,072 Equity shares of ₹10 each to Non promoter entities on preferential allotment basis under Chapter V of SEBI (Issue of Capital and Disclosure) Requirements, Regulations, 2015 at a price of Rs 1,755 per share (inclusive of premium of ₹1,745/- per equity share). Pursuant to this allotment, the paid up equity share capital of the company has increased from 83,18,430 of ₹10 each to 91,73,502 of ₹10 each.

(iv) Terms and rights attached to equity shares

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

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company.

The distribution will be in proportion to the number of equity shares held by the shareholders.

(v) Details of shareholders holding more than 5% shares in the Company (in ₹ lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% Holding	Number of shares	% Holding
Mahendra Sanghvi	10,36,335	11.30%	10,36,335	11.30%
Tilottama Sanghvi	12,87,715	14.04%	12,87,715	14.04%
Laxman Sanghvi	4,76,424	5.19%	4,76,424	5.19%
Jayessh Shah	7,62,231	8.31%	7,62,231	8.31%
Ashish Kacholia	5,99,696	6.54%	5,99,696	6.54%
HDFC Small Cap Fund	6,88,502	7.51%	6,88,502	7.51%
Light house India III Equity Investors Limited	5,07,198	5.53%	5,07,198	5.53%

(vi) Disclosures of Shareholding of Promoters - Shares held by the Promoters: (in ₹ lakhs)

Promoter name	As at March 31,2023		As at March 31,2022		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Mahendra Sanghvi	10,36,335	11.30%	10,36,335	11.30%	0.00%
Laxman Sanghvi	4,76,424	5.19%	4,76,424	5.19%	0.00%
Tilottama Sanghvi	12,87,715	14.04%	12,87,715	14.04%	0.00%
Amit Sanghvi	60,658	0.66%	60,658	0.66%	0.00%
Jayessh Shah	7,62,231	8.31%	7,62,231	8.31%	0.00%
Kalpana Sanghvi	75,300	0.82%	75,300	0.82%	0.00%
Ramesh Shah	11,178	0.12%	11,178	0.12%	0.00%
Purnima Shah	10,008	0.11%	10,008	0.11%	0.00%
Lax Nagda	2,08,702	2.28%	2,08,702	2.28%	0.00%
Shaily Sanghvi	90,000	0.98%	90,000	0.98%	0.00%
Total	**40,18,551**	**43.81%**	**40,18,551**	**43.81%**	

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

(vi) No equity shares are issued as bonus shares or for consideration other than cash or have been bought back in previous five financial years.

Note 13 (b) - Other Equity

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Securities premium		
Opening balance	18,088.52	3,207.51
Addition During the Year	-	14,916.01
Utilised	-	(35.00)
Closing balance	**18,088.52**	**18,088.52**
(b) Capital reserve		
Opening balance	92.91	92.91
Transfer from/to retained earnings	-	-
Issue of bonus shares	-	-
Closing balance	**92.91**	**92.91**
(c) General reserve		
Opening balance	191.58	191.58
Transfer from/to retained earnings	-	-
Issue of bonus shares	-	-
Closing balance	**191.58**	**191.58**
(d) Retained earnings		
Opening balance	17,336.34	13,825.39
Profit for the year	3,514.98	3,526.63
Item of other comprehensive income	(111.87)	(15.68)
Closing balance	**20,739.44**	**17,336.34**
(e) Cash flow hedge reserve		
Opening balance	84.94	37.32
Addition during the year	(23.19)	47.62
Closing balance	**61.75**	**84.94**
(f) Currency translation reserve		
Opening balance	(12.00)	-
Addition during the year	60.26	(12.00)
Closing balance	**48.26**	**(12.00)**
Total	**39,222.48**	**35,782.29**

For details of nature and purpose of each reserve, please refer Statement of changes in equity.

Note 14 - Non-Current borrowings

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Term loans:		
Rupee currency from banks	5,103.50	8,091.66
Foreign currency from banks	1,148.10	2,037.13
Vehicle loan	1.86	16.83
Unsecured*		
Loan from directors	-	13.85
Total	**6,253.46**	**10,159.47**

**Refer Note No 33 on Related Party Disclosure*

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

Note 14 - Non-Current borrowings *(Contd.)*

(in ₹ lakhs)

Particulars	Maturity and terms of repayment	Coupon Rate	As at March 31, 2023	As at March 31, 2022
Term loans				
Rupee Currency		7.20% to 9.55% March 31, 2022: 7.20% to 8.60%	8,102.06	11,014.64
HDFC Term loan	TL-3 Quarterly instalment of ₹166.67 lakhs till Jan 2025 TL-4 Quarterly instalment of ₹111.11 lakhs from Apr 2021 till Jul 2025 TL New - Quarterly instalment of ₹83.31 lakhs from Apr 2021 till Jul 2025 GECL WCDL Loan - Monthly instalment of ₹30.94 lakhs from Apr 2022 till Feb 2026			
State Bank of India	TL-2 Quarterly instalments of ₹195 lakhs from Jun 2022 to Mar 2026 TL 8 Cr - Quarterly instalment of ₹40.00 lakhs from Mar 2022 till Dec 2026 GECL WCDL Loan - Monthly instalment of ₹12.34 lakhs from Oct 2022 till Aug 2026			
Standard Chartered Bank	GECL WCDL Loan - Monthly instalment of ₹7.91 lakhs from Apr 2022 till Mar 2026			
Foreign Currency				
Standard Chartered Bank	ECB-1 Quarterly instalment of Euro 1.25 lakhs From May 2021 till Feb 2025 ECB-2 Quarterly instalment of Euro 1.56 lakhs from Aug 2021 till May 2025	3 months EURIBOR + 3% March 31, 2022: 3 months EURIBOR + 3%	2,156.18	2,989.55
Other Loans (Vehicle Loans)	Monthly instalment of ₹0.91 lakhs till Dec 2023 Monthly instalment of ₹0.62 lakhs till Jun 2024	8.76% to 9.06% March 31, 2022: 7.81% to 9.06%	16.83	55.92
Total long-term borrowings			**10,275.07**	**14,060.11**
Less: Current maturities of long-term borrowings (included in note 15)			(4,021.61)	(3,914.49)
Loan from directors		12.50% March 31, 2022: 12.50%	-	13.85
Total non-current borrowings			**6,253.46**	**10,159.47**

Security-

Term loans from banks are secured by first pari passu charge over entire property, plant and equipments of the Company and second pari passu charge over entire current assets of the company.

Foreign Currency Loan from Bank is secured by first pari passu charge with existing term lender over entire property, plant and equipment of the Company and second pari passu charge on all the current assets with all existing working capital lenders.

Also refer to Note No. 39 for further details.

In case of other loans (Vehicle Loans), Vehicles purchased are hypothecated with the lender.

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

Note 15 - Current borrowings

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans repayable on demand (Secured)		
From banks		
Cash credit /Packing credit	7,707.63	2,413.78
Current maturities of long-term borrowing (Refer note 14)	4,021.61	3,914.49
Bill discounting	595.59	892.08
Total	**12,324.83**	**7,220.35**

Cash credit /Packing credit and bill discounting facilities from banks are secured by hypothecation of all current assets of the Company, present and future, such as inventories, receivables, loans and advances, etc. Cash credit /Packing credit and bill discounting are further secured by second pari passu charges over entire property, plant and equipments of the Company. Rate of interest for Cash credit/Packing credit for the year March 31, 2023 is 7.5% to 9.25% (March 31, 2022: 7.25% to 8.45%).

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 39.

Note 16 - Provisions

Employee Benefit Provisions

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Provision for compensated absences	214.44	182.16
Provision for litigations	18.72	-
Total Non-Current	**233.16**	**182.16**
Current		
Provision for compensated absences	120.08	89.68
Total Current	**120.08**	**89.68**

Defined contribution plans

The Company makes Provident Fund and Superannuation Fund Contributions to defined contribution plans for qualifying employees. The Provident fund plan is operated by the Regional provident fund Commissioner. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary (i.e. @12% is employer's contribution and @12% employee's contribution) as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The Company recognised for year ended March 31,2023 ₹385.42 lakhs (March 31, 2022: ₹362.46 lakhs) for Provident Fund contributions, contribution towards Employee State Insurance scheme and other funds in the Statement of Profit and Loss.

Defined benefit plans

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972.

Compensated absences

Provision for compensated absences covers the liability for sick and earned leave. Compensated absences that are not expected to occur within twelve months after the end of the period in which the employee renders the related services are measured at the present value of expected future payments to be made in respect of such services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. The amount recognised towards compensated absences in statement of Profit and Loss during the year is ₹136.68 lakhs (March 31, 2022: ₹102.38 lakhs).

Valuations of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit plans which are as follows:

(i) Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (i.e. value of defined benefit obligation).

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

Note 16 - Provisions *(Contd.)*

(ii) Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(iii) Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

(iv) Investment Risk : The Company has funded with HDFC Insurance fund, therefore there is no significant Investment risk.

Gratuity

(in ₹ lakhs)

Particulars	As at March 31, 2023 Gratuity (Funded)	As at March 31, 2022 Gratuity (Funded)
(i) Change in defined benefit obligation		
Balance at the beginning of the year	584.29	518.34
Adjustment of:		
Current Service Cost	35.38	38.01
Interest Cost	33.86	28.91
Actuarial (gains) losses recognised in Other Comprehensive Income:		
- Change in Financial Assumptions	(29.25)	(10.04)
- Experience Changes	170.51	21.94
Benefits Paid	(25.55)	(12.87)
Balance at the end of the year	**769.24**	**584.29**
(ii) Change in fair value of assets		
Balance at the beginning of the year	532.27	523.75
Re-measurements due to:		
Actual Return on plan assets less interest on plan assets	(8.23)	(9.05)
Interest income	31.55	30.44
Contribution by the employer	52.02	-
Benefits Paid	(25.55)	(12.87)
Balance at the end of the year	**582.06**	**532.27**
(iii) Net asset / (liability) recognised in the Balance sheet		
Present value of defined benefit obligation	769.24	584.29
Fair value of plan assets	(582.06)	(532.27)
Net (asset) / liability in the Balance sheet	**187.18**	**52.02**
(iv) Expenses recognised in the statement of Profit and loss		
Current service cost	35.38	38.01
Interest cost	2.31	(1.54)
Total expense charged to statement of Profit and loss	**37.69**	**36.47**
(v) Re-measurements recognised in other comprehensive Income (OCI):		
Changes in financial assumptions	(29.25)	(10.04)
Experience adjustments	170.51	21.94
Actual return on plan assets less interest on plan assets	8.24	9.06
Amount recognised in other comprehensive Income (OCI):	**149.50**	**20.96**

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of funded obligations	769.24	584.29
Fair value of plan assets	(582.06)	(532.27)
(Surplus) of funded plan	**187.18**	**52.02**
Unfunded plan	-	-
(Surplus) of Gratuity plan	**187.18**	**52.02**

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

Note 16 - Provisions *(Contd.)*

Fair value of plan assets at the balance sheet date for defined benefit obligations:

Gratuity (in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Insurer managed funds (funded with HDFC Insurance fund)	582.06	532.27
Total	**582.06**	**532.27**

Major category of plan assets as a % of plan assets : (in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Debentures/Bonds	49.86%	35.92%
Govt Securities	49.90%	61.42%
Deposits , Money Market Securities and Net Current Assets	0.24%	2.66%
Total	**100.00%**	**100.00%**

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Gratuity (in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.40%	6.80%
Salary escalation rate	5.00%	5.00%
Withdrawal rates	60% at lower service reducing to 1% at higher service	60% at lower service reducing to 1% at higher service

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is: (in ₹ lakhs)

Particulars	Change in assumption	Change in assumption	Impact on defined benefit obligation Increase /(decrease) in assumption	Impact on defined benefit obligation Increase /(decrease) in assumption
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Discount rate	+/ -0.5%	+/ -0.5%	(22.66) / 24.21	(19.08) / 20.42
Salary escalation rate	+/ -0.5%	+/ -0.5%	23.59 / (22.28)	19.81 / (18.69)
Withdrawal Rate	+/ -10%	+/ -10%	(0.84) / 1.18	(0.72) / 1.00

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Maturity Analysis (in ₹ lakhs)

Particulars	Year 1	Year 2	Year 3 - 5	Year 6 - 10
As at March 31,2023				
Defined Benefit Obligation	254.50	27.46	162.84	253.14
As at March 31,2022				
Defined Benefit Obligation	172.75	18.90	115.32	195.36

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

Note 16 - Provisions *(Contd.)*

Compensated absences

The summary of the assumptions used in the valuations is given below:

Financial Assumptions (in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Discount Rate (p.a.)	7.40%	6.80%
Salary Growth Rate (p.a.)	5.00%	5.00%
Withdrawal rates	60% at lower service reducing to 1% at higher service	60% at lower service reducing to 1% at higher service

Leave Availment Rate (in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Leave Availment Rate (p.a.)	1.00%	1.00%

Note 17 - Other liabilities

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Advance from customers	-	162.05
Advance from customers-Interest Component on Account of Fair Value of Interest Free Advance from Customer		
Deferred income	10.19	10.93
Total Non-Current	**10.19**	**172.98**
Current		
Advance from customers	1,810.91	2,201.67
Deferred income	1.10	1.46
Statutory dues	100.85	72.26
Total Current	**1,912.86**	**2,275.39**

**Classified as non financial liability as the contractual right to consideration is dependent on completion of contractual milestones.*

Note 18 - Trade payables

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) total outstanding dues of micro enterprises and small enterprises	505.98	958.84
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	4,879.04	7,597.24
Total	**5,385.02**	**8,556.08**

i) **Trade Payable ageing schedule for the year ended:**

As at March 31, 2023:

Particulars	Outstanding for following period from due date of payment					Total
	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	389.54	115.08	0.48	0.88	-	505.98
(ii) Others	3,109.52	1,642.85	11.73	94.91	20.03	4,879.04
Total	**3,499.06**	**1,757.93**	**12.21**	**95.79**	**20.03**	**5,385.02**

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

Note 18 - Trade payables *(Contd.)*

As at March 31, 2022:

Particulars	Outstanding for following period from due date of payment					Total
	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	700.99	253.41	4.44	-	-	958.84
(ii) Others	4,719.24	2,808.76	68.91	0.33	-	7,597.24
Total	**5,420.23**	**3,062.17**	**73.35**	**0.33**	**-**	**8,556.08**

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the company and relied by the auditors.

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	505.98	958.84
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	6.29	13.77
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	1,713.21	1,180.26
- Amount of principal payments made to the supplier beyond the appointed day	1,713.21	1,180.26
- Amount of interest payments made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	13.77	7.67
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	55.65	35.59
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	55.65	35.59

The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSME.

Note 19 - Other financial liabilities

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Deferred premium on derivative instrument	33.86	105.56
Total Non-Current	**33.86**	**105.56**
Current		
Accrued interest payable	103.28	120.87
Unpaid dividends	2.10	2.77
Capital creditors	394.41	126.16
Trade/Security deposit received	1.00	1.00
Accrued expense	3.23	12.62
Employee liabilities	460.05	405.67
Deferred premium on derivative instrument	71.70	107.00
Total Current	**1,035.77**	**776.09**

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

Note 20 - Revenue from operations

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Sale of products	59,242.10	54,662.90
Sale of services	1,291.28	1,826.81
Other operating revenue		
Sale of scrap	157.09	136.96
Export incentives	1.16	3.77
Others.	14.95	-
Interest on finance lease	-	140.24
Total other operating revenue	**173.20**	**280.97**
Total	**60,706.58**	**56,770.68**

Note 21 - Other income

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest Income on deposits	282.05	225.27
Interest Income on Income Tax refund	7.88	28.30
Profit on sale of Asset	-	2.70
Net gain on foreign currency transactions	-	492.44
Interest component on account of Fair valuation of loan	134.70	77.83
Other non-operating income	25.81	56.20
Total	**450.44**	**882.74**

Note 22(a) - Cost of material consumed

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Opening stock	5,954.78	3,882.41
Add:Purchases	34,731.05	39,976.48
Less :Closing stock	(3,863.23)	(5,954.78)
Total	**36,822.60**	**37,904.11**

Note 22(b) - Changes in inventories of finished goods and work in progress

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Inventories at the end of the year		
Finished goods	1,710.75	3,127.37
Work in progress	1,318.15	1,727.17
	3,028.90	**4,854.54**
Inventories at the beginning of the year		
Finished goods.	3,127.37	1,303.90
Work in progress.	1,727.17	1,396.02
	4,854.54	**2,699.93**
Net (increase) /decrease	**1,825.64**	**(2,154.62)**

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

Note 23 - Employee benefit expenses

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Salaries, wages and bonus	4,170.73	3,716.63
Contributions to provident and other funds	385.42	362.46
Staff welfare expenses	237.63	253.83
Total	**4,793.78**	**4,332.92**

Note 24 - Finance costs

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest expense on:		
Borrowings	1,497.69	1,519.88
Loans from related parties	1.11	1.73
Exchange difference on restatements of ECB to the extent considered as interest cost	107.81	36.97
Interest component on account of Fair valuation of loan	143.64	101.29
Interest expense on lease	11.39	12.11
Others	26.59	22.50
Total	**1,788.23**	**1,694.48**

Note 25 - Depreciation and amortisation expense

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Depreciation of property, plant and equipment	3,130.73	2,482.49
Amortisation of intangible assets	152.56	129.46
Depreciation on right to use assets	47.26	41.73
Total	**3,330.55**	**2,653.74**

Note 26 - Other expenses

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Stores and spares consumed	205.44	350.41
Subcontracting and labour charges	1,562.30	2,169.71
Repairs & maintenance		
- Building	23.40	39.23
- Plant & Machinery	656.94	663.99
- Others	103.76	153.01
Rent (Refer note 28)	104.84	92.22
Rates and taxes	24.67	64.31
Insurance	240.12	220.46
Conveyance expense	36.04	25.53
Postage and telephone expense	39.76	33.47
Printing and stationery	35.77	56.60
Vehicle expense	122.68	118.43
Legal and professional	149.04	140.61
Directors' sitting fees	32.38	30.53
Sales commission and Fees	101.06	81.56
Payments to auditors	39.78	28.24
Travelling expense	239.23	241.56
Carriage outwards	441.30	456.33
Advertisement	141.10	34.80

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

Note 26 - Other expenses

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Corporate social responsibility Refer note (ii) below	71.39	61.18
Expected credit loss allowance	35.36	109.15
Testing fees	221.33	261.03
Bank charges	118.36	128.42
Loss on sale of PPE	0.83	-
House Keeping Expense	46.72	-
Net loss on foreign currency transactions and translation	297.72	-
Miscellaneous expenses	337.87	316.46
Total	**5,429.19**	**5,877.24**

Note 27 - Taxation

27 (a) - Income tax expense

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Current tax		
Tax expense	595.45	833.60
Tax expense pertaining to prior years	-	9.77
Total income tax expense	**595.45**	**843.37**
Deferred tax		
Deferred tax expense	410.31	283.38
Total deferred tax expense/(benefit)	410.31	283.38
Total tax expense recognised	**1,005.76**	**1,126.75**

Income Tax Recognised in other comprehensive Income

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Deferred Tax on items recognised in other comprehensive Income		
- Remeasurements of post employment benefit obligations	37.63	5.28
- Effective portion of gains on hedging instrument in cash flow hedges	7.80	(16.02)
- Exchange differences in translating the financial statements of foreign operations	(20.27)	4.04
Total Income tax expense	**25.16**	**(6.70)**

27 (b) - Reconciliation of Estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Profit for the period	**4,520.74**	**4,653.38**
Statutory tax rate applicable to Shaily Engineering Plastics Limited	25.170%	25.170%
Tax expense at applicable tax rate	**1,137.87**	**1,171.26**
Tax effects of following in calculating taxable income:		
Additional deduction claimed under Income tax Act	(36.10)	(44.33)
Permanent difference on account of Exempt income	(129.77)	(3.18)
Non deductible expenses	23.02	18.89
Others	10.74	(15.89)
Income tax expense	**1,005.76**	**1,126.75**
Effective tax rate	**22.248%**	**24.214%**

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

27 (c)- Deferred tax liabilities

The balance comprises temporary differences attributable to:

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities:		
Difference between accounting and tax written down value of PPE & Intangible assets	1,952.66	1,472.92
Other timing differences	31.98	56.16
Total deferred tax liabilities	**1,984.64**	**1,529.08**
Deferred tax assets:		
Adjustment on account of provision for expected credit loss	49.92	41.02
Other timing differences	232.01	170.50
Total deferred tax assets	**281.93**	**211.52**
Net deferred tax liabilities	**1,702.71**	**1,317.57**

Movement in deferred tax balances

Particulars	As at March 31, 2022	Charged/ (credited) to profit and loss	Charged/ (credited) to Other Comprehensive income	As at March 31, 2023
Deferred tax liabilities:				
Difference between Accounting and Tax written down value	1,472.92	479.74	-	1,952.66
Other timing difference	56.16	(44.45)	20.27	31.98
Total deferred tax liabilities	**1,529.08**	**435.29**	**20.27**	**1,984.64**
Deferred tax assets:				
Adjustment on account of provision for expected credit loss	41.02	8.90	-	49.92
Other timing differences	170.50	16.08	45.43	232.01
Total deferred tax assets	**211.52**	**24.98**	**45.43**	**281.93**
Net deferred tax liabilities	**1,317.57**	**410.31**	**(25.16)**	**1,702.71**

Particulars	As at March 31, 2021	Charged/ (credited) to profit and loss	Charged/ (credited) to Other Comprehensive income	As at March 31, 2022
Deferred tax liabilities:				
Difference between Accounting and Tax written down value	1,168.80	304.12	-	1,472.92
Other timing difference	29.79	10.35	16.02	56.16
Total deferred tax liabilities	**1,198.59**	**314.47**	**16.02**	**1,529.08**
Deferred tax assets:				
Adjustment on account of provision for expected credit loss	13.55	27.47	-	41.02
Other timing differences	157.57	3.62	9.31	170.50
Total deferred tax assets	**171.12**	**31.09**	**9.31**	**211.52**
Net deferred tax liabilities	**1,027.47**	**283.38**	**6.71**	**1,317.57**

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

Note 28 - Lease

The Company's significant leasing arrangements are mainly in respect of office & godown. Leases typically run in a range from 11 months to 5 years, with an option to renew the lease after that date. The Company previously used to classify leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company.

The Company has adopted Ind AS 116 "Leases" with effect from 1 April 2019 i.e. date of transition with modified prospective approach. The Company has elected to account for short-term and low value leases using the practical expedient as given in the standard. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss. The weighted average incremental borrowings rate of 7.86% has been applied to lease liabilities recognised in the balance sheet at the date of initial application. Company's short term and low value consists of office premises taken on lease for a period of 11 months which are renewable by mutual consent or mutually agreed terms. The aggregate of such lease rentals are charged as "Rent".

The Company used following practical expedients when applying Ind AS 116 :

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

Accordingly during the previous year Right-of-Use asset and lease liability of ₹201.98 Lakhs has been recognised.

A. Amount recognised in Statement of Profit and Loss

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest on lease liabilities	11.39	12.11
Amortisation of ROU Assets	47.26	41.73
Expenses relating to short term and low value leases charged as Rent	17.75	39.06

B. Amount recognised in the Statement of Cash Flows

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest component	11.39	12.11
Lease component	49.03	36.99

C. Maturity Analysis of Lease Liabilities

(in ₹ lakhs)

Particulars	31-Mar-23	31-Mar-22
Maturity Analysis - Undiscounted		
Less than one year	38.20	44.38
One to five years	77.76	120.61
More than five years	-	-

(in ₹ lakhs)

Particulars	31-Mar-23	31-Mar-22
Lease liabilities included in Balance Sheet		
- Current	38.20	44.38
- Non Current	77.76	120.61

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

Note 28 - Lease *(Contd.)*

D. Movement of Right of Use Assets

Forming part of note to “Right of Use Assets” (refer note 3B).

E. Movement of Lease Liability

(in ₹ lakhs)

Particulars	31-Mar-23	31-Mar-22
Balance at the beginning	164.99	-
Addition	-	201.98
Deduction	-	-
Finance cost accrued	11.39	12.11
Payment of lease liabilities	(60.42)	(49.10)
Balance at the end	**115.96**	**164.99**

Note 29 - Financial Instruments

29 a) - Fair Value Measurement - Financial instruments by category

(in ₹ lakhs)

Particulars	Amortised cost	
	As at March 31, 2023	As at March 31, 2022
Financial assets		
Trade receivables	9,192.50	10,169.12
Cash and cash equivalents	1,913.77	3,514.72
Bank balances other than cash and cash equivalent above	390.48	1,191.15
Investment in Preference shares (Gross of allowance for impairment)	27.04	27.04
Loans and advances	545.34	24.62
Other Financial Assets	202.26	348.84
Total financial assets - At amortised cost	**12,271.39**	**15,275.49**
Financial liabilities		
Borrowings	18,578.29	17,379.82
Trade Payables	5,385.02	8,556.08
Lease liabilities	115.96	164.99
Other Financial Liabilities	1,069.63	881.65
Total financial liabilities - At amortised cost	**25,148.91**	**26,982.54**

(in ₹ lakhs)

Particulars	FVOCI	
	As at March 31, 2023	As at March 31, 2022
Financial assets		
Equity shares of Panax Appliances Pvt. Ltd.(Gross of allowance for impairment)	11.90	11.90
Equity shares of Citizen Co-operative Society Ltd	0.08	0.08
Derivative Asset	292.71	473.00
Total financial assets - At FVOCI	**304.69**	**484.98**

29 b) Fair Value Measurement - Hierarchy

Financial assets and liabilities measured at fair value -recurring fair value measurements

(in ₹ lakhs)

As at March 31,2023	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Derivative Instruments					
Designated as Cash Flow Hedge	6	-	292.71	-	292.71
Financial Investments at FVOCI					
Equity Shares of Panax Appliances Pvt. Ltd.	5	-	-	11.90	11.90
Equity Shares of Citizen Co-operative Society Ltd	5	-	-	0.08	0.08
Total Financial Assets		-	**292.71**	**11.98**	**304.69**

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

Note 29 - Financial Instruments *(Contd.)*

Financial assets and liabilities measured at fair value -recurring fair value measurements (in ₹ lakhs)

As at 31st March, 2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Derivative Instruments					
Designated as Cash Flow Hedge	6	-	473.00	-	473.00
Financial Investments at FVOCI					
Equity Shares of Panax Appliances Pvt. Ltd.	5	-	-	11.90	11.90
Equity Shares of Citizen Co-operative Society Ltd	5	-	-	0.08	0.08
Equity Shares of Co-operative Bank of Baroda	5	-	-	-	-
Derivatives not designated as hedge		-	-	-	-
Total Financial Assets		**-**	**473.00**	**11.98**	**484.98**

For all the financial assets and liabilities referred above that are measured at amortised cost, their carrying amounts are reasonable approximations of their fair values.

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

There were no transfers between any levels during the year.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, preference shares and debentures are included in level 3.

29 c) Fair Value Measurement - Technique

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

The fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

29 d) Derivative Financial Instruments

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

(i) The details of various outstanding derivative financial instruments are given below : (in ₹ lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Assets	Liabilities	Assets	Liabilities
Derivatives designated in cash flow hedges				
- Option contract	210.19	-	453.99	-
- Interest rate swap	82.52	-	19.01	-
Total designated derivatives	**292.71**	**-**	**473.00**	**-**

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

Note 29 - Financial Instruments *(Contd.)*

(ii) The details of the gross notional amounts of derivative financial instrument outstanding : (in ₹ lakhs)

Derivative instruments	Underlying	As at March 31, 2023	As at March 31, 2022
- Option contract	EUR/INR	€ 24.06 Lakhs	€ 35.31 Lakhs
- Interest rate swap	Floating to Fixed	€ 24.06 Lakhs	€ 35.31 Lakhs

(iii) The movement of cash flow hedges in other comprehensive income is as follows : (in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	84.94	37.31
Change in the fair value of effective portion of cash flow hedges	(31.00)	63.64
Deferred tax on fair value of effective portion of cash flow hedges	7.80	(16.02)
Balance at the end of the year	**61.75**	**84.94**

Note 30 -Financial risk management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management framework, through which management develops and monitors the Company's risk management policies. The key risks and mitigating actions are also placed before the Board of directors of the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management Framework of the Company is enforced by the finance team and experts of business division that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to:

- protect the Company's financial results and position from financial risks;
- maintain market risks within acceptable parameters, while optimising returns; and

The finance department is responsible to maximise the return on companies internally generated funds.

30 a) Management of credit risks

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited. This is due to the Company's policy of strict credit worthiness tests it performs for all its sales. Company deals with limited number of customers with highest credit ratings. Company acts as institutional supplier to its customers without any channel distribution model. Most of the company products are plastic moulded components, specially created as per the designs of its customer and are either semi finished goods or critical to business operations of its customers, making it business prudent for customers for not to dispute or delay payment of any receivable to the Company. All trade receivables are regularly reviewed and assessed for default on an ongoing basis.

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

Note 29 - Financial Instruments *(Contd.)*

Expected credit loss for trade receivable under simplified approach. (in ₹ lakhs)

Ageing	Not due	0-90 days	91-180 days	181-270 days	271-360 days	More than 360 days	Total
Year ended March 31, 2023							
Gross carrying amount	7,692.64	1,316.84	48.08	14.23	33.80	285.24	9,390.83
Expected credit losses (Loss allowance provision)	(30.15)	(13.72)	(2.85)	(3.58)	(15.59)	(132.44)	(198.33)
Carrying amount of trade receivables	**7,662.49**	**1,303.12**	**45.23**	**10.65**	**18.21**	**152.80**	**9,192.50**
Year ended March 31, 2022							
Gross carrying amount	7,415.62	2,202.80	235.19	18.41	401.06	59.01	10,332.09
Expected credit losses (Loss allowance provision)	(19.13)	(16.30)	(16.73)	(2.29)	(88.37)	(20.15)	(162.97)
Carrying amount of trade receivables	**7,396.49**	**2,186.50**	**218.46**	**16.12**	**312.70**	**38.86**	**10,169.12**

30 b) Management of liquidity risk:

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine the Company's credit rating and impair investor confidence.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the balance sheet date:

(in ₹ lakhs)

Particulars	Carrying amount	Less than 12 months	More than 12 months	Total
As at March 31,2023				
Borrowings	18,578.29	12,324.83	6,253.46	18,578.29
Trade Payables	5,385.02	5,385.02	-	5,385.02
Lease liabilities	115.96	38.20	77.76	115.96
Other Financial liabilities	1,069.63	1,035.77	33.86	1,069.63
	25,148.90	**18,783.82**	**6,365.08**	**25,148.90**
As at March 31,2022				
Borrowings	17,379.82	7,220.35	10,159.47	17,379.82
Trade Payables	8,556.08	8,556.08	-	8,556.08
Lease liabilities	164.99	44.38	120.61	164.99
Other Financial liabilities	881.65	776.10	105.55	881.65
	26,982.54	**16,596.90**	**10,385.64**	**26,982.54**

30 c) Management of market risks

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the value of a financial asset. The value of a financial asset may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including receivables, payables and borrowings denominated in foreign currency. The objective of the Management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the Management of, these risks is explained below:

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

30 d) (i) Foreign currency risk

The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised Financial assets and liabilities denominated in a currency that is not the functional currency '(₹) of the Company. The management does not undertake any hedging activities or otherwise to offset or mitigate the foreign currency and interest rate risk that it is exposed to other than the hedging EUR ECB loan. The Company undertakes significant of its foreign currency transaction in United States Dollar ('USD'). To the extent of lower of exports and imports that the Company undertakes in USD, the Company has a natural hedge against the exposure to foreign currency risks. However the Company has taken a EUR ECB Loan for which Currency Call Hedge has been undertaken.

The Company is exposed to foreign currency risks on accounts of foreign currency denominated receivables and payables as below:

(Amount in foreign & rupee currency in Lakhs)

As at March 31,2023	USD	₹	EURO	₹	GBP	₹	JPY	₹
Financial assets								
Trade receivable	19.19	1,578.12	-	-	-	-	-	-
Bank balance in EEFC accounts	0.67	55.03	-	-	-		-	
Exposure to foreign currency assets	**19.86**	**1,633.15**	**-**	**-**	**-**	**-**	**-**	**-**
Financial liabilities								
Trade payables	5.86	481.94	1.02	91.09	0.20	20.06	1,198.00	740.84
Borrowings	-	-	24.06	2,156.18	-	-	-	-
Less : Foreign currency hedged	-	-	(24.06)	(2,156.18)	-	-	-	-
Interest Payable on Foreign borrowings	-	-	0.23	20.26	-	-	-	-
Exposure to foreign currency risk liabilities	**5.86**	**481.94**	**1.25**	**111.35**	**0.20**	**20.06**	**1,198.00**	**740.84**

(Amount in foreign & rupee currency in Lakhs)

As at March 31,2022	USD	₹	EURO	₹	GBP	₹	JPY	₹
Financial assets								
Trade receivable	31.24	2,370.96	0.19	15.65	-	-	-	-
Bank balance in EEFC accounts	2.01	152.43	-	-	-		-	
Exposure to foreign currency assets	**33.25**	**2,523.39**	**0.19**	**15.65**	**-**	**-**	**-**	**-**
Financial liabilities								
Trade payables	24.71	1,875.70	2.10	176.48	0.29	28.68	398.00	248.85
Borrowings	-	-	35.31	2,973.68	-	-	-	-
Less : Foreign currency hedged	-	-	(35.31)	(2,973.68)	-	-	-	-
Interest Payable on Foreign borrowings	-	-	0.29	24.75	-	-	-	-
Exposure to foreign currency risk liabilities	**24.71**	**1,875.70**	**2.39**	**201.23**	**0.29**	**28.68**	**398.00**	**248.85**

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises from above referred outstanding balances.

(in ₹ lakhs)

Currency Sensitivity	Impact on profit before tax	
	As at March 31, 2023	As at March 31, 2022
USD sensitivity		
INR/USD -Increase by 1%*	11.51	6.48
INR/USD -decrease by 1%*	(11.51)	(6.48)

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

30 b) Management of liquidity risk: *(Contd.)*

(in ₹ lakhs)

Currency Sensitivity	Impact on profit before tax	
	As at March 31, 2023	As at March 31, 2022
EURO sensitivity		
INR/EURO -Increase by 1%*	(1.11)	(1.86)
INR/EURO -decrease by 1%*	1.11	1.86
GBP sensitivity		
INR/GBP -Increase by 1%*	(0.20)	(0.29)
INR/GBP -decrease by 1%*	0.20	0.29
JPY sensitivity		
INR/JPY -Increase by 1%*	7.40	(2.49)
INR/JPY -decrease by 1%*	(7.40)	2.49

**Holding all other variables constant*

30 d) (ii) Interest rate risk

Interest rate risk arises on account of variable interest rate borrowings held by the Company. The uncertainties about the future market interest rate of these borrowings exposes the Company to the interest rate risk.

Currently, Interest rate on Term Loans are linked with Marginal Cost of funds based Lending Rate (MCLR) and to the extent of variation in MCLR, interest rates on terms loans are expected to be changed. The interest rates on Term loans which are linked with MCLR are reported in Note 14 - Non-current Borrowings.

The Company has taken a ECB loan of € 4.5Mn from the Standard chartered Bank, Dubai International Financials Branch, First of its drawdown being of € 2.0 Mn & the second drawdown being of €2.50 Mn. We have taken Interest rate swap for converting the floating interest rate to fixed rate and thus hedging against risk of upward movement of EURIBOR rates.

For the year ended March 31, 2023 and March 31, 2022 , a 10 basis point increase / decrease in interest rate on floating rate liabilities would impact Company's profit before tax by approximately 0.43% and 0.37% respectively.

Note 31 - Details of Government Grants

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Government grants received by the Company during the year towards		
i.) Duty drawback (recognised under Export Incentive under Other revenue from operations)	1.16	3.77
ii.) Other Government Grant include grant received by the Company in respect to investment made by the Company in plant and equipment.		
A) Amount of grant received during the year	-	-
B) Amortised in statement of Profit and Loss	1.10	1.49
C) Unamortised portion of grant recorded as deferred income in current and non current liabilities	11.29	12.39

Note 32 - Segment revenue

In accordance with the requirement of Ind AS 108 - "segment reporting", the Company is primarily engaged in the business of manufacturing of customized components made up of plastic and other materials and has no other primary reportable segments. The Board of Directors of the Company allocates the resources and assess the performance of the Company as Chief Operating Decision Maker("CODM"). The CODM monitors the operating results of the business as a single segment hence no separate segment needs to be disclosed. Thus the segment revenue, segment result, total carrying value of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, the total amount of charge for depreciation and amortization during the year are all as reported in the financial statements for the year ended March 31, 2023 and as on that date.

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

30 b) Management of liquidity risk: *(Contd.)*

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

(in ₹ lakhs)

Revenue from sale of products and services	As at March 31, 2023	As at March 31, 2022
India	13,599.47	13,997.73
Outside India	46,933.91	42,491.98
Total Revenue from sale of products and services	**60,533.38**	**56,489.71**

The amount of its non-current assets broken down by location of the customers is shown in the table below. (in ₹ lakhs)

Non-current assets	As at March 31, 2023	As at March 31, 2022
India	45,496.34	37,697.34
Outside India	-	-
Total non-current assets	**45,496.34**	**37,697.34**

The Company earns revenue from one major customer who individually contribute more than 10 percent of the Company's revenue.

Note 33 - Related Party Transactions

33 a) Details of related parties

Description of relationship	Names of related parties
Key Management Personnel	
Executive Chairman	Mr. Mahendra Sanghvi
Managing Director	Mr. Amit Sanghvi
Executive Director	Mr. Laxman Sanghvi
Whole Time Director	Mrs. Tilottama Sanghvi
Independent Director	Mr. Milin Mehta
Independent Director	Mr. Ranjit Singh
Independent Director	Mr. Shailesh Ayyangar
Independent Director	Mr. Samaresh Parida
Independent Director	Mrs. Sangeeta Singh
Other Related Parties	
Entities in which KMP have significant influence	Panax Appliances Pvt. Ltd.
Entities in which KMP have significant influence	Shaily Medical Plastics Pvt.Ltd.
Relative of key management personnel	Mrs. Kinjal Bhavsar
Firm owned by relative of key management personnel	Jariwala Shah Kanji Raichand & Co

33 b) Key management personnel compensation

(in ₹ lakhs)

For the year ended March 31,2023	Total
Mr. Mahendra Sanghvi	186.29
Mr. Amit Sanghvi	221.15
Mr. Laxman Sanghvi	94.97
Mrs. Tilottama Sanghvi	63.51

(in ₹ lakhs)

For the year ended March 31,2022	Total
Mr. Mahendra B. Sanghvi	126.08
Mr. Amit M. Sanghvi	133.74
Mr. Laxman B. Sanghvi	72.75
Mrs. Tilottama M. Sanghvi	64.19

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

Note 33 - Related Party Transactions *(Contd.)*

Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

33 c) Transactions with related parties

(in ₹ lakhs)

Nature of Transaction	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Rent paid for lease arrangements		
Mrs. Tilottama Sanghvi	8.40	8.40
Jariwala Shah Kanji Raichand & Co	7.08	7.08
Interest paid on loans		
Mr. Laxman Sanghvi	1.11	1.73
Repayment of loan		
Mr. Laxman Sanghvi	13.85	-
Remuneration		
Mrs. Kinjal Bhavsar	72.58	17.89
Sitting fees to Independent Director	32.38	30.53

33 d) Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions;

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance to supplier		
Shaily Medical Plastics Pvt Ltd.	9.50	9.50
Total receivables to related parties	**9.50**	**9.50**
Trade Payables		
Panax Appliances Pvt. Ltd	20.03	20.03
Unsecured Loans		
Mr. Laxman Sanghvi	-	13.85
Total payables to related parties	**20.03**	**33.88**

33 e) Terms and conditions :

(i) All outstanding balances are unsecured and are repayable/receivable in cash and all the transactions with these related parties are priced on an arms length basis.

Note 34 - Contingent liabilities

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Income Tax	4.24	2.54
(b) Sales Tax	5.74	5.74
(c) Custom Duty	97.84	97.84
(d) Service Tax	193.93	212.65
(e) Excise Duty	3.22	3.22
(e) Workmen compensation	Amount Not determinable	Amount Not determinable

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

Note 33 - Related Party Transactions *(Contd.)*

It is not practical for the Company to estimate the closure of these issue and the consequential timing of cash flows, if any.

The Hon'ble Supreme Court of India ("SC") set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. In view of management, guidelines directed under SC judgement has been implemented w.e.f. 01 October 2019 and an additional financial liability for the period from 01 April 2019 to 30 September 2019 has been considered in provision. In addition, the SC judgement hasn't expressed whether this effect shall be prospectively or retrospectively, the impact before 01 April 2019, if any, is not ascertainable and consequently no financial effect has been provided for in the accounts. Accordingly, this has been disclosed as a contingent liability in the financial statements.

The company does not expect any reimbursement in respect of the above contingent liabilities.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for wherever required.

Note 35 - Commitments

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts (net of advance) remaining to be executed on capital account and not provided for:		
-Tangible assets	5,633.11	362.68

Note 36 - Disclosure under Ind AS 115

(A) Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Revenue as per contracted price	61,643.46	57,112.36
Adjustments :		
Rebates & Discounts	1,110.08	622.65
Revenue from contract with customers	**60,533.38**	**56,489.71**

(B) Contract balances:

The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables (net of allowances for expected credit loss)(Note 9)	9,192.50	10,169.12
Contract assets e.g. Unbilled Revenue (Note 7)	57.61	527.20
Contract liabilities e.g. Overbilled Revenue (Note 17)	-	-

Changes in contract assets and liabilities are mainly on account of contractual right to consideration and is dependent on completion of contractual milestones. Contract assets are transferred to receivable when the rights become unconditional.

(C) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year:

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Amounts included in contract liabilities at the beginning of the year	-	295.54
Performance obligations satisfied in previous years, not previously recognised	-	-

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

(D) Unsatisfied or partially satisfied Performance Obligation

Revenue to be recognised in future related to the performance obligations that are unsatisfied or partially satisfied as at March 31, 2023 and expected to be recognised within one year is of ₹ 472.11 lakhs (March 31, 2022 ₹ 400.634 lakhs) and for more than one year is ₹ Nil (March 31, 2022 ₹ Nil).

(E) Disaggregation of revenue

The management determines that the segment information reported under Note 32 - Segment reporting is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported.

(F) Significant payment terms

Generally, the Company provides credit period in the range of 30 -120 days for customers.

Note 37 - Earnings per share

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Profit attributable to the equity holders of the Company	3,514.98	3,526.63
Less: Share issue expenses (net of taxes)	-	26.19
Profit attributable to the equity holders of the Company	3,514.98	3,500.44
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	91,73,502	87,63,536
Total basic & diluted earnings per share attributable to the equity holders of the Company	**38.32**	**39.94**

Note 38 - Offsetting financial assets and Liabilities

The recognised financial instruments that are offset or subject to enforceable master netting arrangements and other similar arrangements and other similar agreements, but not offset as at March 31, 2023 and March 31, 2022.

Collateral against borrowings

The Company has hypothecated / mortgaged financial instruments as collateral against a number of its borrowings. Refer note 39(assets pledged) for further information on financial and non-financial collateral hypothecated.

Note 39 - Assets pledged as security

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Current (Present and Future)		
Second pari passu charge for all term loans and foreign currency loans from banks		
Inventories	7,297.47	11,142.53
Trade receivables	9,192.50	10,169.12
Cash and cash equivalents	1,913.77	3,514.72
Bank balances other than cash and cash equivalents	390.48	1,191.15
Balances with government authorities	2,919.00	2,276.24
Advance to suppliers	662.67	375.42
Advance to Employees	52.98	9.11
Interest accrued on deposits	89.15	76.75
Loans	545.34	24.62
Finance Lease receivables	55.46	221.01
Derivative asset	292.71	182.16
Prepaid expense	291.68	312.59
Contract assets	57.61	527.20
Total current assets pledged as security	**23,760.82**	**30,022.62**
Non-Current		
First pari passu charge for all term loans and foreign currency loans from banks		
Property, plant and equipment	34,791.43	32,236.27
Capital work-in-progress	4,897.81	1,612.07
Total	**39,689.24**	**33,848.34**

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

Note 39A - Disclosure as per Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 186(4) of the Companies Act, 2013

(in ₹ lakhs)

Name of the party	Relationship	Nature	As at March 31, 2023	As at March 31, 2022
Shaily Medical Plastics Private Limited	Significant Influence of KMP	Outstanding Balance	9.50	9.50
		Maximum Balance Outstanding	9.50	9.50

The above advance has been given for business purpose

Note 39B - Disclosures under rule 16A of the Companies (Acceptance of Deposits) Rule 2014.

(in ₹ lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Balance outstanding at the beginning of the year	13.85	13.85
Money received from Director during the year	-	-
Money (repaid) during the year	(13.85)	-
Balance outstanding at the end of the year	-	13.85

Note 40 - Note on Finance Leases

The Company has entered into Purchase Agreements with its customers for Various Moulds. The agreements with customers for these assets Provide for take or pay agreements as per which Customers are Committed to purchase committed Quantity of the Component from the Company over defined period of the time Falling which customers are obliged to reimburse the company for the shortage in minimum Committed quantity. The arrangement analysis pursuant to IND As 116 “lease” Identified an embedded finance lease and accordingly, the said arrangement has been accounted accordingly (Refer Note 6).

(in ₹ lakhs)

Particulars	Minimum Lease receivable		Present value of minimum lease payments	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Not later than one year	61.83	307.65	55.46	221.01
Later than one year and not later than five years	-	-	-	-
Later than five years				
	61.83	307.65	55.46	221.01
Unearned finance income	6.37	86.64	-	-
Present value of minimum lease payments receivable	55.46	221.01	55.46	221.01
Allowance for uncollectible lease payments "	-	-	-	-

The interest rate inherent in the leases is fixed at the contract for the entire lease term.

The average effective interest rate contracted is about 37.50 % per annum.

Note 41 - Capital Management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Company is based on management’s judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manages the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may borrow from external parties such as banks or financial institutions. The Company’s policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain shareholder, creditor and stakeholder confidence to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Debt (Bank and other borrowings)	18,578.29	17,379.82
Less: Liquid Investments and bank deposits	2,304.33	4,705.96
Net Debt	16,273.97	12,673.86
Total Equity	40,139.83	36,699.64
Net Debt to Equity (Net)	0.41	0.36

Note 42 - Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Company has not revalued its Property, plant and equipment (right of use assets) or intangible asset or both during the current and previous year.

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

Note 43

The Indian Parliament has approved the Code on Social Security, 2021 ('Code') which may likely to impact the contributions made by the Company towards Provident Fund and Gratuity. The Company will assess the impact and its evaluation once the corresponding rules are notified and will give appropriate impact in the standalone financial statements in the period in which the Code becomes effective and the related rules are notified.

Note 44

All material events occurring after the balance sheet date upto the date of approval of financial statements by the Board of Directors on May 20 2023, have been considered, disclosed and adjusted, wherever applicable, as per the requirements of Ind AS 10 - Events after the Reporting Period.

Note 45

The financial statements are approved for issue by the Board of Directors in their meeting held on May 20, 2023.

Notes forming part of the Consolidated financial statements

as at and for the year ended March 31, 2023

Note 46 - Additional Information as required by Paragraph 2 of Part III - General Instruction for Preparation of CFS of Schedule III of the Companies Act, 2013:

Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit or (loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	% of consolidated net assets	₹ In lakhs	% of consolidated profit	₹ In lakhs	% of consolidated OCI	₹ In lakhs	% of consolidated TCI	₹ In lakhs
Parent :	98.56%	39,563.38	85.33%	2,999.41	100.00%	(74.81)	85.01%	2,924.60
Wholly owned subsidiary :								
Shaily (UK) Limited	5.28%	2,118.29	14.67%	515.57	-	-	14.99%	515.57
Adjustments arising out of consolidation	-3.84%	(1,541.83)	0.00%	-	-	-	-	-
Total	**100.00%**	**40,139.84**	**100.00%**	**3,514.98**	**100.00%**	**(74.81)**	**100.00%**	**3,440.17**

Note 47 - Principles of Consolidation

These Consolidated Financial Statements (CFS) are prepared in accordance with Ind AS on “Consolidated Financial Statements” (Ind AS – 110) and “Disclosure of interests in other entities” (Ind AS – 112), specified under Section 133 of the Companies Act, 2013.

In terms of our report attached
For B S R & Associates LLP
Chartered Accountants
Firm’s Registration No: 116231 W/W-100024

Jeyur Shah
Partner
Membership No: 045754

Vadodara
May 20,2023

For and on Behalf of the Board of Directors
Shaily Engineering Plastics Limited
CIN : L51900GJ1980PLC065554

Mahendra Sanghvi
Executive Chairman
DIN: 00084162

Amit Sanghvi
Managing Director
DIN: 00022444

Ashish Somani
Chief Financial Officer

Dimple Mehta
Company Secretary

Vadodara
May 20,2023

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213/1, 210/5, 212/5, 213/2, 213/3, 209/4,
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