



**Shaily Engineering  
Plastics Limited**

Regd. Office & Rania Plants :  
Survey No. 364 & 366,  
At & P.O. Rania 391780, Ta-Savli,  
Dist. Vadodara, Gujarat, India.  
Phone : 91-9667-944307/361  
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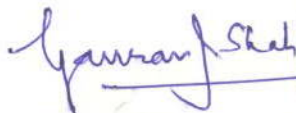
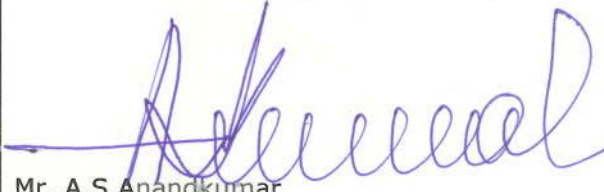
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Visit us at : www.shaily.com



CIN - L51900GJ1980PLC065554

**FORM A**

**Format of covering letter of the annual audit report to be filed with the  
Stock Exchange**

1.	Name of the company	<b>Shaily Engineering Plastics Limited</b>
2.	Annual financial statements for the year ended	<b>31<sup>st</sup> March 2014</b>
3.	Type of Audit observation	<b>Un-qualified / Matter of Emphasis</b>
4.	Frequency of observation	Whether appeared first time/ repetitive/ since how long period - <b>N.A.</b>
5.	To be signed by-	
	CEO/Managing Director	 Mr. Mahendra Sanghvi
	CFO	 Mr. Sanjay Shah
	Auditor of the company	 Mr. Gaurav J. Shah Partner, Deloitte Haskins & Sells
	Audit Committee Chairman	 Mr. A.S. Anandkumar



**Shaily Engineering Plastics Limited**

**34<sup>th</sup> Annual Report**

**2013-2014**

## **Contents**

Directors' Report.....	2
Management's Discussion and Analysis.....	6
Report on Corporate Governance .....	10
Auditors' Report.....	22
Balance Sheet.....	27
Statement of Profit & Loss.....	28
Cash Flow Statement.....	29
Significant Accounting Policies and Notes on Accounts.....	30
Notice of the 34th Annual General Meeting .....	53

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## Company Information

Board of Directors		Board Committees	
Mr. Mahendra Sanghvi	Managing Director	<b>Audit Committee</b>	
Mr. Laxman Sanghvi	Executive Director	Mr. A.S Anandkumar	
Mrs. Tilottama Sanghvi	Whole-Time Director	Mr. Sarup Chowdhary	
Mr. Amit Sanghvi	Whole-Time Director	Mr. William Sean Sovak	
Mr. A S Anandkumar	Director	Mr. Samaresh Parida	
Mr. Sarup Chowdhary	Director	<b>Remuneration Committee</b>	
Mr. William Sean Sovak	Director	Mr. Sarup Chowdhary	
Mr. Pushp Raj Singhvi	Director	Mr. William Sean Sovak	
Mr. Samaresh Parida	Director	Mr. Pushp Raj Singhvi	
		<b>Shareholders'/Investors' Grievance Committee</b>	
		Mr. William Sean Sovak	
		Mr. A.S Anandkumar	
		Mr. Laxman Sanghvi	
		<b>CSR Committee</b>	
		Mr. Pushp Raj Singhvi	
		Mr. Laxman Sanghvi	
		Mrs.Tilottama Sanghvi	
<b>Asst. Company Secretary</b>			
Ms. Apeksha Patel			
<b>Auditors</b>			
<b>Statutory Auditors</b>		<b>Internal Auditors</b>	<b>Secretarial Auditors</b>
M/s Deloitte Haskins & Sells		M/s Shah Jain & Hindocha	M/s Samdani Shah & Associates
Chartered Accountants		Chartered Accountants	Company Secretaries
<b>Bankers</b>		<b>Registrar &amp; Share Transfer Agent</b>	
State Bank of India		Bigshare Services Pvt. Ltd.	
Standard Chartered Bank		E-2, ANSA Industrial Estate, Saki Vihar Road,	
HDFC Bank Limited		Saki Naka, Andheri(East),	
CITI Bank N.A		Mumbai, 400072, India.	
		Website: www.bigshareonline.com	
		E-mail : bigshare@bom7.vsnl.net.in	
<b>Registered Office</b>			
Survey No. 364/366, At & Po. Rania, Taluka Savli, Dist. Vadodara - 391780, Gujarat, India.			
Website: www.shaily.com : E-mail: investors@shaily.com			
<b>Plant Locations</b>			
<b>Rania Plant : EOU Plant : Finishing Division : CRC Project</b>		<b>Halol Plant</b>	
Survey No. 363/364/366		Plot # 706,707,708 GIDC,	
At & Po. Rania - 391780,		Halol Dist. Panchmahals	
Taluka Savli, Dist. Vadodara,		Gujarat, India.	
Gujarat, India.			

## DIRECTORS' REPORT

### To the Members,

Your Directors are pleased to present the 34<sup>th</sup> Annual Report together with the Audited Accounts for the year ended on 31<sup>st</sup> March 2014.

### Financial Highlights

(Rs. in lacs)

Particulars	Financial Year	
	2013-14	2012-13
Net revenue from Operations	15,078.07	12,276.17
Other Income	54.00	63.53
<b>Total Revenue</b>	<b>15,132.07</b>	<b>12,339.70</b>
Total Expenses	12,805.55	10,579.02
<b>Profit Before Interest, Depreciation &amp; Tax</b>	<b>2,326.52</b>	<b>1,760.68</b>
Finance Cost	706.57	693.13
Depreciation and amortization expense	595.85	561.58
<b>Profit Before Tax</b>	<b>1,024.09</b>	<b>505.97</b>
Current Tax	356.13	101.22
Short provision in earlier years	(1.47)	(22.99)
Deferred tax	10.66	142.02
<b>Add: MAT Credit Entitlement</b>	<b>0</b>	<b>76.43</b>
<b>Net Profit for the year</b>	<b>658.55</b>	<b>362.15</b>

### Business Performance

- The Company's total sales have increased by 23.53% as compared to previous year.
- The Profit Before Tax (PBT) is Rs. 1,024.09, which is increased by 102.40% compared to P.Y. which was Rs. 505.97.
- The Net Profit for the year under review is Rs. 658.55, which has been increased by 81.84%.

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

All significant accounting policies and material transactions have been disclosed in notes on accounts to the Balance Sheet as on 31st March 2014.

### Dividend

In view of conserving the resources for business needs, your Directors do not recommend payment of dividend for the year under review.

### Directors

Mr. Jayessh Shah has resigned as Director of the Company w.e.f. 14th November, 2013. He had been a member of the Board since 2002. He was member of the Board of erstwhile Shaily Engineering Plastics Ltd. which was merged into the company and was associated with the company for the past @ 28 years. Mr. Jayessh Shah with his vast experience has made substantial contribution to the company's growth and has been instrumental in many strategic initiatives of the company. The Board and management of the company would like to place on record and thank Mr. Jayessh Shah for his advice and guidance which enabled the company to make substantial progress. Mr. Sachin Bhartiya has also resigned as Director of the Company effective 12th September, 2013. He was nominee of Motika Limited. The Board and Management places on record its sincere appreciation for the valuable support and guidance received from Mr. Sachin Bhartiya during his tenure.

## Annual Report 2013 - 14

Mr. Piyush Verma who was appointed as an Alternate Director to Mr. William Sean Sovak w.e.f. 14th November, 2013 automatically vacated pursuant to arrival of regular Director Mr. William Sean Sovak and attending meeting on 1st February, 2014. Hence Mr. Piyush Verma ceased to be an Alternate Director to Mr. William Sean Sovak.

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

The term of Mrs. Tilottama Sanghvi as Wholetime Director came to an end on 31st May, 2014 and Mr. Amit Sanghvi as Wholetime Director ending on 30th September, 2014. The same shall be renewed for a further period by the Board of Directors subject to the approval of the members at the ensuing Annual General Meeting.

Mr. A.S.Anandkumar, Mr. Pushp Raj Singhvi and Mr. Sarup Chowdhary are Independent Directors of the Company. The Board proposes to re-appoint them as Independent Directors, in terms of the provisions of the section 149 of the Companies Act, 2013, for a term of Five Years upto conclusion of the 39th Annual General Meeting of the Company in the Calendar year 2019.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchange.

Details of all the Directors seeking appointment/re-appointment are included in the notice calling the 34th Annual General Meeting. Your directors have pleasure in recommending their appointment / re-appointment.

### Fixed Deposits

The Company has accepted deposits of Rs. 235.65 lacs during the year, in compliance with provisions of section 58A of Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules 1975, as amended.

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

Information pursuant to section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31st March 2014.

#### A) Conservation of Energy

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

#### B) Technology Absorption

- **Research and Development:** The Company has developed several dies and moulds, which were earlier imported. The Company has also developed several plastic components, which were earlier imported. The activities in development are carried out by the technicians, and the expenditure thereon is debited to the respective heads.
- **Technology absorption, adaptation and innovation:** The Company has manufactured many plastic components of international standard/quality, which are import substitutes for diverse applications.

#### C) Foreign exchange earnings and outgo

Total foreign exchange used is Rs. 3664.21 lacs and total foreign exchange earned Rs. 10387.90 lacs.

### Management Discussion and Analysis

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

### Corporate Governance

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

A detailed report on Corporate Governance in terms of Clause 49 of the Listing Agreement is attached which forms part of this Report.

**PERSONNEL**

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, forming part of this report for year ended 31st March, 2014 are as under:

S N	Name	Designa- tion	Gross Earnings Rs.	Age	Qualification	E x p	Date of Joining	Last Employ- ment
1	Mahendra Sanghvi	Managing Director	79,46,436	66 years	B.Sc.(Chem) B.S. Chem Engg	40	30 <sup>th</sup> Dec 1985	GB Book Plastic Co., Canada

**NOTES:**

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

**Auditors**

M/s Deloitte Haskin & Sells (Registration No.: 117364W), the Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and re-commended for re-appointment for the financial year 2014.15 i.e. until the conclusion of the 35th Annual General Meeting of the Company. Deloitte has furnished a certificate under Section 139(2) of the Companies Act, 2013, of their eligibility for re-appointment.

**Auditors' report**

The observation made in the Auditors' report read together with relevant notes thereon, are self-explanatory and hence do not call for any comments under section 217 of the Companies Act, 1956.

**Cost Auditors**

Pursuant to the provisions pertaining to cost audit as specified under section 148 of the Companies Act, 2013 and Companies (cost records and audit) Rules, 2014, issued by Ministry of Corporate Affairs dated 30th June, 2014, specifying certain class of companies engaged in the production of such goods and providing such services which require cost audit. Pursuant to said rules, it is not mandatory for our Company to conduct cost audit for the financial year ending 31<sup>st</sup> March, 2015.

**Corporate Social Responsibility Committee**

Corporate Social Responsibility Committee (CSR Committee) has been formed by the Board comprising Mr. Pushp Raj Singhvi as the Chairman and Mr. Laxman Sanghvi and Mrs. Tilottama Sanghvi as members.

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

**Directors' responsibility statement**

The Board of Directors of the Company confirms:

- (i) that in preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the directors have selected appropriate accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2014 and of the profits of the company for that period;

- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the annual accounts have been prepared on a going concern basis.

**Acknowledgement**

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The Board places on record their appreciation for the support and co-operation your Company has been receiving from its suppliers, customers, business partners and others associated with the Company as its trading partners. Your Company looks upon them as partners in its progress and has shared with them the rewards of growth. It will be Company's endeavor to build and nurture strong links with the trade based on mutuality of benefits, respect to and co-operation with each other, consistent with consumer interests.

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

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

**Place: Mumbai**  
**Date: 08th August, 2014**

**Sd/-**  
**Mahendra Sanghvi**  
**Chairman & Managing Director**



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Overview

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

### Industry structure and developments

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

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

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

### Plastics Industry - Vision 2015

	2015
Consumption of Polymers @ 15% CARG	18.9 Million tonnes
Turnover of plastics Industries	Rs.1,33,245 crores
Additional Employment Generation	7 Million
Requirement of Additional Plastics Processing Machines	68113 Nos
Additional Capital Investment In Machines (2004-2015)	Rs.45,000 crores

(Source: CIPET)

Now Company is setting up a new project named CRC Project for development of business. The major products are: 5 ml eye dropper bottle, 10 ml eye dropper bottle, Cap for eye dropper bottle, Plug for eye dropper bottle, CRC Cap, 120 ml Bottle, 100 ml Bottle, 60 ml Bottle, 40 ml Bottle etc.,

### Overall Performance of the company

- The Company's total sales have increased by 23.53% as compared to previous year.
- The Profit Before Tax is Rs. 1,024.09, which is increased by 102.40% compared to P.Y. which was Rs. 505.97.
- The Net Profit for the year under review is Rs. 658.55, which has been increased by 81.84%.

### Segment-wise / Product-wise Performance

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

**SEPL Strengths**

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

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

**Our sourcing ability**

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

**Positioned as Total Solution Provider**

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

**Focus of SEPL**

A. SEPL focuses on -

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

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

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

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

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

**Corporate Goal**

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

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

**Outlook on Opportunities**

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

If production capacities are added now, companies will be ready when the good times roll in, which they are bound to. Continuous improvement in productivity should become a standard practice and these tough times should make companies learn to do this

on a regular basis. This will have regular monetary benefits on a continuous basis, rather than thinking short or long term.

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

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

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

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

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

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

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

### **Human Resource**

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

SEPL's culture fosters continuous learning, with result-oriented meritocracy. The employee strength of your Company is currently 819, which includes staff, permanent workers and contract labour.

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

### **Corporate Social Responsibility**

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

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

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

Social Responsibility (CSR) Committee, entrusted with the responsibility of formulating and recommending to the Board, a CSR Policy indicating the activities to be undertaken by the Company, monitoring the implementation of framework of the CSR Policy and recommending the amount to be spent on CSR activities.

**Cautionary Statement**

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

## REPORT ON CORPORATE GOVERNANCE

### Company's Philosophy on Corporate Governance

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

### The Board of Directors

As on March 31, 2014, the company's Board consisted of nine Directors, four of them are Executive Directors and five are Non-Executive Directors including five independent Directors. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and expertise to the Board.

The Board's composition is in conformity with the provisions of the Companies Act, 1956 and the Listing Agreement entered into with the Stock Exchange.

### Category of Directorship

Executive Directors - Mr. Mahendra Sanghvi - Chairman & Managing Director  
Mr. Laxman Sanghvi  
Mrs. Tilottama Sanghvi  
Mr. Amit Sanghvi

Non-Executive Independent Directors - Mr. A.S. Anand Kumar  
Mr. Sarup Chowdhary  
Mr. William Sean Sovak  
Mr. Pushp Raj Singhvi  
Mr. Samaresh Parida  
Mr. Piyush Verma\*  
Mr. Sachin Bhartiya#

Non-Executive

Non-Independent Directors - Mr. Jayessh Shah<sup>§</sup>

\* Appointed to be director w.e.f. 14th November, 2013 and ceased to be a Director w.e.f. 1st February, 2014.

# Ceased to be a Director w.e.f. 12th September, 2013.

§ Ceased to be a Director w.e.f. 14th November, 2013.

### Directorships and Chairmanships / Memberships of Committees of each Director in various companies as on 31st March, 2014:

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

## Annual Report 2013 - 14

- 1 Excluding Private Limited Companies, Foreign Companies, Section 25 Companies and Alternate Directorships.
- 2 Includes only Audit Committee and Shareholders' / Investors' Grievance Committee in all public limited companies.

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

### Code of Conduct

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

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

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

"I hereby confirm that the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the financial year 2013-14"

**Laxman Sanghvi**  
Executive Director

### Board Meetings

Four Board Meetings were held during the year ended 31st March 2014. These were held on 18th May 2013, 10th August 2013, 14th November 2013 & 1st February 2014.

#### *Board Meeting Attendance of Directors during F.Y.2013-14*

Name of the Directors	No. of Meetings Attended
Mr. Mahendra Sanghvi	3
Mr. Laxman Sanghvi	4
Mrs. Tilottama Sanghvi	3
Mr. Amit Sanghvi	4
Mr. A.S. Anand Kumar	4
Mr. Sarup Chowdhary	4
Mr. William Sean Sovak	3
Mr. Pushp Raj Singhvi	3
Mr. Samaresh Parida	3
Mr. Piyush Verma*	1
Mr. Sachin Bhartiya <sup>#</sup>	1
Mr. Jayessh Shah <sup>§</sup>	0

\* Appointed to be director w.e.f. 14th November, 2013 and ceased to be a Director w.e.f. 1st February, 2014.

# Ceased to be a Director w.e.f. 12th September, 2013.

§ Ceased to be a Director w.e.f. 14th November, 2013

### Information supplied to the Board

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

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

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

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

### Committees of the Board

Currently, the Board has four key committees:

- Audit Committee
- Shareholders'/Investors' Grievance Committee
- Remuneration/Selection Committee (Now Nomination & Remuneration Committee)
- Corporate Social Responsibility Committee

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

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

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

### Audit Committee

The Audit Committee of the Board consists of four independent directors.

The composition, role, terms of reference as well as power of the Audit Committee are in accordance with the provisions of clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The members of the Audit Committee possess financial / accounting expertise / exposure and have in depth financial knowledge as listed below:

Name of the Members	Qualification	Expertise
Mr. A.S. Anandkumar	CAIIB, Master Degree in Mathematics	Banking, Financial advisory and related activities
Mr. Sarup Chowdhary	Chemical Engineering from IIT, Delhi	High Polymers, Manufacturing, Project Management, Sales and Marketing
Mr. William Sean Sovak	Bachelors of Science, Economics, Finance; The Wharton School of Business of the University of Pennsylvania	Investor and Fund Manager.
Mr. Samaresh Parida	Chartered Accountant, Cost Accountant, MBA from the Indian Institute of Management, Ahmedabad	Financial management, budgeting, reporting, profit centre management, operations, strategy, M&A including deal making, due diligence and acquisition integration in India and key global markets.

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

## Annual Report 2013 - 14

Four Audit Committee Meetings were held during the year ended 31st March 2014. These were held on 18th May 2013, 10th August 2013, 14th November 2013 & 1st February 2014. Company Secretary of the Company also acted as the Secretary of this committee. The Minutes of the Audit Committee are circulated to the Board of Directors.

### *Audit Committee Composition & Attendance during F.Y.2013-14*

Name of the Directors	Designation	No. of Meetings Attended
Mr. A.S Anandkumar	Chairman	4
Mr. William Sean Sovak	Member	3
Mr. Samaresh Parida	Member	3
Mr. Sarup Chowdhary	Member	4

Pursuant to the provisions of Section 177 (3) of the Companies Act, 2013 Company has also reconstituted the Committee.

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

It consists of two independent directors and one non-independent executive director.

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

No complaints/queries have been received during the F.Y. 2013-14. The certificate in respect of status of complaints/queries received from the Shareholders/Investors has been obtained for all the four quarters of F.Y.2013-14 from M/s. S. Samdani & Associates, Company Secretaries.

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

One Shareholders'/Investors' Grievance Committee Meeting was held during the year ended 31st March 2014 on 18th May 2013.

### *Shareholders'/Investors' Grievance Committee Composition & Attendance during F.Y. 2013-14*

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

### **Remuneration/Selection Committee**

The company has adopted a non-mandatory requirement of Clause 49 of the Listing Agreement and formed the Remuneration/Selection Committee of the Board, which consists of three independent directors:

- Mr. Sarup Chowdhary
- Mr. William Sean Sovak
- Mr. Pushp Raj Singhvi

Two Remuneration/Selection Committee Meetings were held during the year ended 31st March 2014 on 18th May 2013 and 14th November, 2013.

### *Remuneration Committee Composition & Attendance during F.Y.2013-14*



Name of the Directors	Designation	No. of Meetings Attended
Mr. Sarup Chowdhary	Chairman	2
Mr. William Sean Sovak	Member	1
Mr. Pushp Raj Singhvi	Member	2

Pursuant to section 178 of the Companies Act, 2013 Company has reconstituted the present remuneration committee as Nomination & Remuneration Committee of the Company.

### Corporate Social Responsibility Committee

The Board, in compliance with the requirement of section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 constituted Corporate Social Responsibility Committee (CSR Committee) w.e.f 1st April, 2014.

The Composition, role terms of reference as well as powers of the Corporate Social Responsibility Committee of the Company meets the requirements of section 135 of the Companies Act, 2013 and rules framed thereunder. Composition of CSR Committee is as follow:

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

### General Body Meetings

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

Financial Year Ended	Date, Time & Place	Transaction
31 <sup>st</sup> March 2011	06.08.2011 4.00 P.M. Rania, Vadodara	Special Resolution passed for re-appointment of Mrs. Tilottama Sanghvi as Whole-Time Director.
31 <sup>st</sup> March 2012	04.08.2012 11.00 A.M. Rania, Vadodara	Special Resolution passed for appointment of Mr. Amit Sanghvi as Whole-Time Director.
31 <sup>st</sup> March 2013	10.08.2013 12.30 P.M Rania,Vadodara	1. Special Resolution passed for re-appointment of Mr. Mahendra Sanghvi as Managing Director. 2. Special Resolution passed for re-appointment of Mr. Laxman Sanghvi as Executive Director.

Extra Ordinary General Meetings held on

1. 14.11.2013 - Special Resolution passed for the appointment of Mrs. Kinjal Sanghvi, as Head - Regulatory Affairs & Compliance. She is wife of Mr. Amit Sanghvi.

2. 01.02.2014 -

- 1) Special Resolution passed approving revision in remuneration of Mr. Mahendra Sanghvi.
- 2) Special Resolution passed approving revision in remuneration of Mr. Laxman Sanghvi.
- 3) Special Resolution passed approving revision in remuneration of Mrs. Tilottama Sanghvi.
- 4) Special Resolution passed approving revision in remuneration of Mr. Amit Sanghvi.
- 5) Special Resolution passed approving payment of remuneration of Mr. Samaresh Parida.
- 6) Special Resolution passed approving Amendment in Articles of Association of the Company.

During the year ended 31st March 2014, there were no ordinary or special resolution that were required to be passed by our shareholders through postal ballot.

## Disclosures

### Basis of related party transactions

1. A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the audit committee.
2. Except as specified, the non-executive and/or independent directors on the Company's Board, apart from receiving Directors' remuneration, do not have any other material pecuniary relationship or transaction with the Company, its promoters, its management, which in the judgement of the Board affect the independence of judgement of the Directors.
3. The Company has taken on lease the Office premises from M/s. Jariwala Shah Kanji Raichand & Co., in which Mr. Jayesh Shah is the Proprietor, who is brother of Mrs. Tilottama Sanghvi, Director of the Company. The company has also taken on lease an office premises from Mrs. Tilottama Sanghvi who is a Whole-Time Director of the company.
4. The register of contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with related party are disclosed in the notes to the Annual Accounts in the Annual Report.
5. None of the transactions with any of the related parties were in conflict with the interest of the Company. There has not been any non compliance, penalties and no strictures were imposed on the Company by Stock Exchanges, SEBI or any other statutory authority, on any matter related to capital markets, during the year under review.

### Remuneration of Directors

Name of Director	Relation-ship with other Directors	Business relation ship with company	Remuneration for the year ended 31st March 2014 (Rs.)				
			Sitting fee	Basic	Perquisite/ allowances	Others	Total
Mr. Mahendra Sanghvi	Note 1	Promoter	Nil	4,245,000	2,303,436	849,000	7,397,436
Mr. Laxman Sanghvi	Note 1	Promoter	Nil	2,653,872	1,438,032	530,775	4,622,679
Mrs. Tilottama Sanghvi	Note 1	Promoter	Nil	1,379,820	781,340	275,964	2,437,124
Mr. Amit Sanghvi	Note 3	Promoter group	Nil	2,030,460	1,149,806	4,195,26	3,599,792
Mr. A.S. Anandkumar	None	None	1,30,000	Nil	Nil	Nil	1,30,000
Mr. Sarup Chowdhary	None	None	1,40,000	Nil	Nil	Nil	1,40,000
Mr. William Sean Sovak	None	Note 4	Nil	Nil	Nil	Nil	Nil
Mr. Pushp Raj Singhvi	None	None	80,000	Nil	Nil	Nil	80,000
Mr. Samaresh Parida	None	None	90,000	13,50,000	Nil	Nil	14,40,000
Mr.Piyush Verma*	None	None	20,000	Nil	Nil	Nil	20,000
Mr. Sachin Bhartiya#	None	Note 4	20,000	Nil	Nil	Nil	20,000
Mr. Jayesh Shah\$	Note 2	Promoter group	0	Nil	Nil	Nil	0

\* Appointed as Alternate Director w.e.f. 14th November, 2013 and ceased to be Alternate Director w.e.f. 1st February, 2014.

# Ceased to be a Director w.e.f. 12th September, 2013.

\$ Ceased to be a Director w.e.f. 14th November, 2013

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

Note 2: Mr. Jayesh Shah is the brother of Mrs. Tilottama Sanghvi.

Note 3: Mr. Amit Sanghvi is the son of Mr. Mahendra Sanghvi and Mrs. Tilottama Sanghvi.

Note 4: Mr. William Sean Sovak has been appointed by Motika Limited, a company incorporated under the law of Cyprus holding 1,746,420 equity shares of Rs.10/- of the Company.

A sitting fee of Rs. 20,000/- per meeting was paid to the non-executive directors, for every meeting of the board and Rs. 10,000/- per meeting was paid for every committee meeting of the Board attended by them.

## Annual Report 2013 - 14

### Non-executive Directors' shareholding in the company

Name of the Directors	No. of Equity Shares held
Mr. A.S. Anand Kumar	Nil
Mr. Sarup Chowdhary	Nil
Mr. William Sean Sovak	Nil
Mr. Pushp Raj Singhvi	Nil
Mr. Samaresh Parida	Nil
Mr. Piyush Verma*	Nil
Mr. Sachin Bhartiya#	Nil

\* Appointed Alternate Director w.e.f. 14th November, 2013 and ceased to be Alternate Director w.e.f. 1st February, 2014.

# Ceased to be a Director w.e.f. 12th September, 2013.

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

### Appointment / Re-appointment of Directors

Mr. Sachin Bhartiya and Mr. Jayesh Shah have resigned as the Directors of the Board w.e.f. 12th September, 2013 and 14th November, 2013 respectively.

Mr. Piyush Verma appointed as Alternate Director w.e.f. 14th November, 2013 and has ceased to be an Alternate Director as Original Director Mr. William Sean Sovak returns back w.e.f. 1st February, 2014.

Mr. Laxman Sanghvi and Mrs. Tilottama Sanghvi, Directors will be retiring by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

Mr. A.S. Anandkumar, Mr. Pushp Raj Singhvi and Mr. Sarup Chowdhary are Independent Directors of the Company. The Board proposes to re-appoint them as Independent Directors, in terms of the provisions of the section 149 of the Companies Act, 2013, for a term of Five Years upto conclusion of the 39th Annual General Meeting of the Company in the Calendar year 2019.

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

### Management Discussion and Analysis

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

### Report on Corporate Governance

The quarterly compliance report for each quarter of the F.Y. 2013-14 has been submitted to the Stock Exchanges where the Company's equity shares are listed in the requisite format, duly signed by the Compliance Officer.

## General Shareholder Information

### Annual General Meeting

Date	Saturday, 20th September, 2014
Time	2.00 p.m.
Venue	Survey No. 364/366, At & Po. Rania - 391780, Taluka Savli, Dist. Vadodara
Book Closure Dates for AGM	Tuesday, 16th September, 2014 to Saturday, 20th September, 2014 (both days inclusive)

**Financial Year**

1st April to 31st March.
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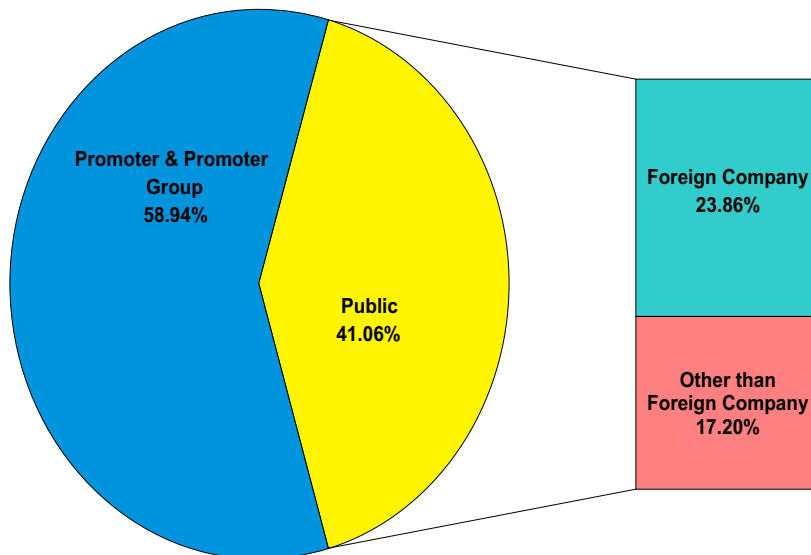
**Share Capital**

Authorized Share Capital	Rs. 160,000,000
Paid up Share Capital	Rs. 73,184,300

**Listing Details**

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

**Shareholding pattern as on 31st March 2014**

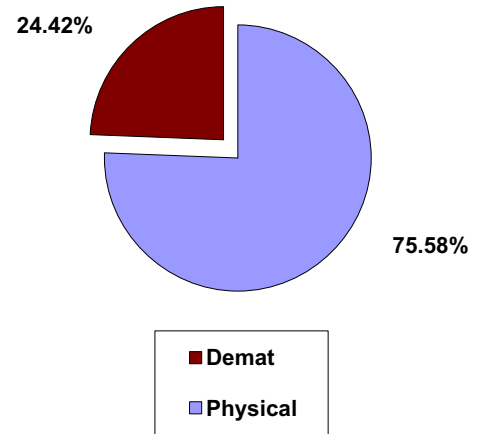


**Distribution of shareholding as on 31st March 2014**

No. of Shares	No. of Shareholders	% of Total no. of Shareholders	No. of Shares	% of Total Shares
1 - 5000	200	86.21%	55,800	0.76%
5001 - 10000	3	1.29%	25,600	0.35%
10001 - 20000	5	2.16%	79,755	1.09%
20001 - 30000	1	0.43%	22,100	0.30%
30001 - 40000	3	1.29%	1,07,000	1.46%
40001 - 50000	1	0.43%	50,000	0.68%
50001 - 100000	6	2.59%	3,90,652	5.34%
100001 - *****	13	5.60%	6,587,523	90.01%
<b>Total</b>	<b>232</b>	<b>100.00%</b>	<b>7,318,430</b>	<b>100.00%</b>

**Bifurcation of shares held in physical and demat form as on 31st March, 2014**

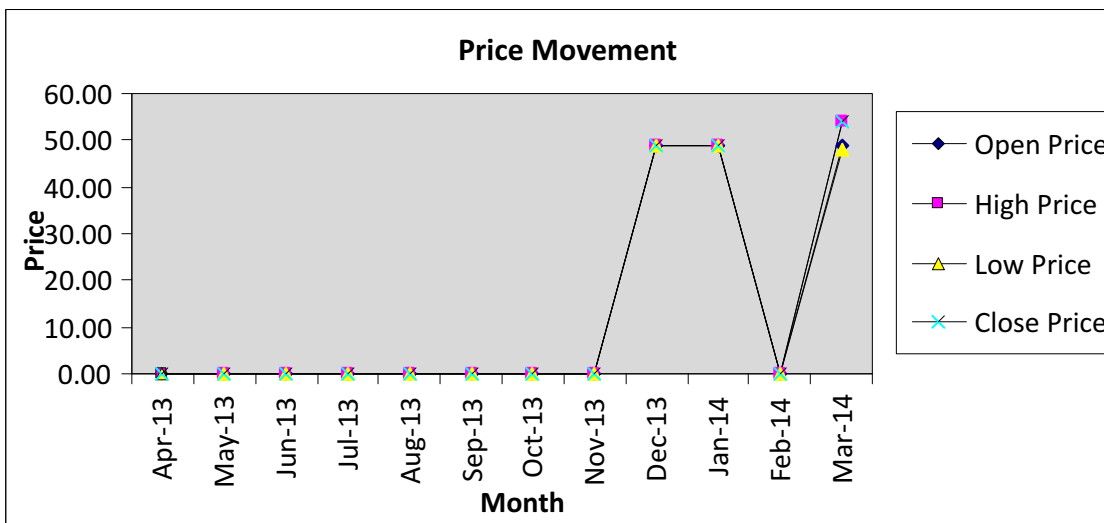
Particulars	No. of Shares	%
Physical Segment	1,786,928	24.42
Demat Segment		
NSDL	2,712,556	37.06
CDSL	2,818,946	38.52
<b>Total</b>	<b>7,318,430</b>	<b>100.00</b>



**Share Price Data**

The monthly high and low prices and volumes of shares of the Company at Bombay Stock Exchange Limited (BSE) for the year ended 31st March, 2014 are as under:

Month	Open Price	High Price	Low Price	Close Price	Volume
Apr-13	0.00	0.00	0.00	0.00	0.00
May-13	0.00	0.00	0.00	0.00	0.00
Jun-13	0.00	0.00	0.00	0.00	0.00
Jul-13	0.00	0.00	0.00	0.00	0.00
Aug-13	0.00	0.00	0.00	0.00	0.00
Sep-13	0.00	0.00	0.00	0.00	0.00
Oct-13	0.00	0.00	0.00	0.00	0.00
Nov-13	0.00	0.00	0.00	0.00	0.00
Dec-13	49.00	49.00	49.00	49.00	97
Jan-14	49.00	49.00	49.00	49.00	49
Feb-14	0.00	0.00	0.00	0.00	0
Mar-14	49.00	54.00	48.00	54.00	1139



### Additional Disclosures

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

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

*Remuneration/Selection Committee (Now Nomination & Remuneration Committee)*

We have constituted a remuneration/selection committee (*Now Nomination & Remuneration Committee*). A detailed note on the same is provided in this report.

### Certificate on Corporate Governance from Practising Company Secretary

The Company has obtained certificate from M/s Samdani Kabra & Associates, Practising Company Secretary regarding compliance with the provisions relating to the Corporate Governance laid down in Clause 49 of the Listing Agreement with the stock exchanges. This report is annexed to the directors' report for the year 2013-14, and will be sent to the stock exchanges along with this annual report to be filed by the Company.

### Plant Locations

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

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

### Communication to Shareholders

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

Quarterly Report sent to each household of shareholders	The results of the Company are published in the newspapers.
Quarterly results and in which newspaper normally published	The results of the Company are generally published in Business Standard (English) nationwide and Vadodara Samachar in Gujarat Editions.
Website where displayed	The results are displayed on the Company's website <a href="http://www.shaily.com">www.shaily.com</a>
Whether the website displays the presentation made to the institutional investors and to the analysts.	No such requirement arose.

## Annual Report 2013 - 14

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

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

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

<b>Bigshare Services Pvt. Ltd.</b>
E-2, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka, Andheri (East)
Mumbai: 400 072.
Tel: +91 22 28470744
Fax: +91 22 28475207
Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>
Email: <a href="mailto:bigshare@bom7.vsnl.net.in">bigshare@bom7.vsnl.net.in</a>

## CERTIFICATE

### to the Members of Shaily Engineering Plastics Limited

We have examined the compliance of the conditions of Corporate Governance by Shaily Engineering Plastics Limited for the year ended 31<sup>st</sup> March, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges, in India.

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

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

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2014 no investor grievances are pending against the Company, as per the records maintained by the Company and presented to the Shareholders/ Investors Grievance Committee.

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

Date: 08th August, 2014,  
Place : Vadodara

Suresh Kumar Kabra  
Company Secretary  
Partner  
Samdani Kabra & Asso  
Company Secretaries  
ACS/CP NO. 9711/9927



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF SHAILY ENGINEERING PLASTICS LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of **SHAILY ENGINEERING PLASTICS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014; the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:
- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
  - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1) (g) of the Act.

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

**Sd/-  
(Gaurav J. Shah)  
(Partner)  
(Membership No. 35701)**

**VADODARA, 17th May , 2014**

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the accounts of Shaily Engineering Plastics Ltd. for the year ended on 31st March 2014)

- (i) (i) In respect of its fixed assets:
- (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of its inventories:
- (a) As explained to us, the inventories were physically verified during the year by the Management at regular intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act 1956, according to the information and explanations given to us:
- (a) The Company has granted interest free loans aggregating Rs. 224,490/- to two parties during the year. At the year-end, the outstanding balances of such loans granted aggregated Rs.224,490/- to two parties and the maximum amount involved during the year was Rs.524,490/-.
  - (b) The terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interest of the Company.
  - (c) In the absence of stipulations, the regularity of the receipts of principal amounts and interest has not been commented upon.
  - (d) There is no overdue amount in excess of Rs. 1 lakh in respect of loans granted to companies/firms/parties listed in the register maintained under section 301 of the Companies Act, 1956.

In respect of loans, secured or unsecured, taken by the Company from Companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

- (a) The Company has taken loan from the directors (including Managing Director), one firm and four other parties covered in the register maintained under section 301 of the Companies Act, 1956 and the maximum amount involved during the year was Rs.10,879,204/- (including Rs.4,885,000/- from Managing Director), Rs.1,268,625/- and Rs.2,184,793/- respectively and the year-end balance of loans taken from all such parties was Rs. 13,535,000/-.
- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from all such parties listed in the register maintained under section 301 of the Companies Act, 1956 are, prima facie, not prejudicial to the interest of the Company.
- (c) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.

- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The particulars of contracts or arrangements referred to in section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
- (b) Where each of such transaction (excluding loans reported under paragraph (iii) above) is in excess of Rs. 5 Lakhs in respect of any party, having regard to our comments in paragraph (iv) above, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (viii) The cost records as required under section 209(1) (d) of the Companies Act, 1956 were under compilation at the time of our audit and therefore these could not be reviewed by us.
- (ix) According to the information and explanations given to us, in respect of Statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and other material statutory dues applicable to it with appropriate authorities.
- (b) There were no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, customs duty and excise duty were in arrears, as at March 31, 2014 for a period of more than six months from the date they became payable.
- (c) Details of dues of income tax, sales tax, wealth tax, service tax, customs duty and excise duty which have not been deposited as on March 31, 2014 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise duty	322,046	2009-10	Asst. Commissioner
The Central Excise Act, 1944	Excise duty	4,508,228	Various Years	Commissioner Appeals
The Central Excise Act, 1944	Excise duty	1,065,290	2007-08	CESTAT
The Sales Tax Act, 1956	Sales tax	572,903	1996-97	Sales Tax Department (Appeals)

- (x) The Company does not have any accumulated losses as at the end of the financial year and the Company has not incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks. The Company has not issued any debentures.
- (xii) Based on our examination of records and the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

## Annual Report 2013 - 14

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- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from bank or financial institutions. Therefore, the provisions of clause (xv) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xvii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures.
- (xx) According to the information and explanations given to us, during the period covered by our audit report, the Company has not raised any money by way of public issues.
- (xxi) To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

**Sd/-**  
**(Gaurav J. Shah)**  
**(Partner)**  
**(Membership No. 35701)**

VADODARA, 17th May, 2014

## Balance Sheet as at 31st March, 2014

(Amount in ₹)

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>1 Shareholder's Funds</b>			
(a) Share Capital	3	73,184,300	73,184,300
	4	352,372,363	286,517,323
		<u>425,556,663</u>	<u>359,701,623</u>
<b>2 Non-Current Liabilities</b>			
(a) Long Term Borrowings	5	381,504,828	151,381,377
(b) Deferred Tax Liability		31,822,598	30,757,063
(c) Other Long Term Liabilities	6	14,103,563	12,872,590
(d) Long Term Provisions	7	4,897,033	3,072,787
		<u>432,328,022</u>	<u>198,083,818</u>
<b>3 Current Liabilities</b>			
(a) Short Term Borrowings	8	215,237,145	228,170,361
(b) Trade Payables	9	273,752,905	179,934,967
(c) Other Current Liabilities	10	85,233,714	104,986,363
(d) Short Term Provisions	11	4,026,124	2,193,759
		<u>578,249,888</u>	<u>515,285,451</u>
	<b>Total</b>	<b><u>1,436,134,573</u></b>	<b><u>1,073,070,891</u></b>
<b>II. ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed Assets	12		
(i) Tangible assets		465,825,947	435,753,293
(ii) Intangible assets		1,553,448	1,228,085
(iii) Capital work-in-progress		27,793,052	12,767,683
(iv) Intangible assets under development		768,608	-
		<u>495,941,055</u>	<u>449,749,061</u>
(b) Non-Current Investments	13	2,745,626	2,745,626
(c) Long Term Loans & Advances	14	80,526,878	46,585,922
(d) Other Non-Current Assets	15	956,100	1,434,150
<b>2 Current Assets</b>			
(a) Inventories	16	152,493,912	125,034,958
(b) Trade receivables	17	325,752,588	261,748,808
(c) Cash and cash equivalents	18	244,913,808	65,935,570
(d) Short-term loans and advances	19	132,326,556	117,743,063
(e) Other current assets	20	478,050	2,093,733
		<u>855,964,914</u>	<u>572,556,132</u>
	<b>Total</b>	<b><u>1,436,134,573</u></b>	<b><u>1,073,070,891</u></b>
See accompanying notes to financial statements	28 - 30		

In terms of our report attached

For Deloitte Haskins &amp; Sells

Chartered Accountants

Sd/-

Gaurav J Shah

Partner

M. No: 35701

Baroda

17th May, 2014

For And On Behalf Of The Board of Directors

Sd/-

Managing Director

Sd/-

Executive Director

Baroda

17th May, 2014

Sd/-

Company Secretary

## Statement of Profit and Loss for the year ended 31st March, 2014

(Amount in ₹)

Particulars	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
I. Revenue from Operations (gross)	21	1,551,073,792	1,257,013,082
Less: Excise Duty		43,266,838	29,395,565
Revenue from Operations (Net)		1,507,806,954	1,227,617,517
II. Other income	22	5,400,124	6,353,152
III. <b>Total Revenue (I + II)</b>		<b>1,513,207,078</b>	<b>1,233,970,669</b>
IV. <b>Expenses</b>			
Cost of Raw Material Consumed	23	858,312,743	707,100,219
(Increase)/ Decrease in Stocks	24	7,613,908	(16,766,910)
Employee Benefits Expense	25	160,378,352	131,066,095
Finance costs	26	70,657,454	69,315,255
Depreciation and amortization expense	12	59,585,170	56,157,974
Other Expenses	27	254,250,139	236,501,332
<b>Total Expenses</b>		<b>1,410,797,766</b>	<b>1,183,373,965</b>
V. <b>Profit before tax (III-IV)</b>		<b>102,409,312</b>	<b>50,596,704</b>
VI. Less: Tax expense			
Current tax		35,612,707	10,122,256
Short/(Excess) provision in earlier years		(147,035)	(2,298,922)
Deferred tax		1,065,535	14,201,887
Wealth Tax		23,060	-
MAT Credit Entitlement		-	(7,643,061)
VII. <b>Profit from continuing operations (V-VI)</b>		<b>65,855,045</b>	<b>36,214,543</b>
VIII. Earnings per equity share (of ₹10/- each):			
(1) Basic		9.00	4.95
(2) Diluted		9.00	4.95
See accompanying notes to financial statements	28 - 30		

In terms of our report attached  
For Deloitte Haskins & Sells  
Chartered Accountants  
Sd/-  
Gaurav J Shah  
Partner  
M. No: 35701

Baroda  
17th May, 2014

For And On Behalf Of The Board of Directors

Sd/-  
Managing Director

Sd/-  
Executive Director

Baroda  
17th May, 2014

Sd/-  
Company Secretary

## Cash Flow Statement for the year ended on 31st March, 2014

		(Amount in ₹)	
Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013	
<b>A</b>	<b>Cash flow from Operating Activities</b>		
	Net Profit before taxation	102,409,312	50,596,706
	Adjustment for:		
	Depreciation	59,585,170	56,157,974
	(Profit) / Loss on sale of Fixed Asset	246,196	137,018
	Dividend received	(5,025)	(5,025)
	Investment/ Interest income	(4,631,899)	(6,268,106)
	Finance costs	70,657,454	69,315,255
	Amortisation of expenses	499,051	556,073
	Bad debts/Advances written off	1,370,646	418,894
	Unrealised Exchange (Gain) / Loss	3,818,481	(456,466)
	Operating Profit before working capital changes	233,949,386	170,452,323
	Adjustment for:		
	(Increase)/Decrease in Trade receivables	(71,022,858)	84,437,191
	(Increase)/Decrease in Other receivables other than advance tax	12,476,949	(25,410,333)
	(Increase)/Decrease in Inventories	(27,458,954)	(29,600,713)
	Increase/(Decrease) in Trade Payables	93,807,878	(41,182,870)
	Increase/(Decrease) in Other Current Liabilities	(14,222,496)	14,224,123
	Cash generated from operations	227,529,905	172,919,721
	Taxes paid (Net of refunds)	16,285,833	12,200,645
	Cash flow before Exceptional items	211,244,072	160,719,076
	<b>Net Cash from Operating Activities</b>	<b>211,244,072</b>	<b>160,719,076</b>
<b>B</b>	<b>Cash Flow from Investing Activities</b>		
	Purchases of Fixed Assets (after adjustment of increase/decrease in creditors-capital goods)	(161,949,635)	(107,136,204)
	Interest received	4,631,899	6,268,106
	Dividend received	5,025	5,025
	Purchase of investments	-	-
	Sale of Fixed Asset	1,716,645	1,761,291
	Bank balances not considered as cash and cash equivalents	(166,884,553)	(36,253,129)
	<b>Net Cash (used) in Investing Activities</b>	<b>(322,480,619)</b>	<b>(135,354,911)</b>
<b>C</b>	<b>Cash flow from Financing Activities</b>		
	Proceeds from long term borrowings	290,592,765	107,627,582
	Repayment of long term borrowings	(80,943,415)	(35,119,847)
	Change in working capital loan	(12,933,216)	(17,582,928)
	Finance costs	(73,385,900)	(69,315,255)
	<b>Net Cash (used) in financing Activities</b>	<b>123,330,234</b>	<b>(14,390,448)</b>
<b>D</b>	<b>Net Cash Inflow/( Outflow )</b>	<b>12,093,687</b>	<b>10,973,717</b>
	Cash & Cash Equivalents as at beginning of the year	15,310,588	4,336,871
	Cash & Cash equivalents as at end of the year	27,404,275	15,310,588
	<b>Net Cash Inflow/ (Outflow)</b>	<b>12,093,687</b>	<b>10,973,717</b>
<b>Note</b>			
1	Cash & Cash equivalents comprises		
	Cash on Hand	524,183	861,063
	Cheques, drafts on hand		
	Balances with banks		
	(i) In current accounts	1,826,132	121,550
	(ii) In EEFC accounts	25,053,959	14,327,976
	<b>Total</b>	<b>27,404,275</b>	<b>15,310,588</b>

In terms of our report attached  
For Deloitte Haskins & Sells  
Chartered Accountants  
Sd/-  
Gaurav J Shah  
Partner  
M. No: 35701

Baroda  
17th May, 2014

For And On Behalf Of The Board of Directors

Sd/-  
Managing Director

Sd/-  
Executive Director

Baroda  
17th May, 2014

Sd/-  
Company Secretary



## Notes forming part of the financial statements

### **Note 1 : Corporate information**

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

### **Note 2 : Significant accounting policies**

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

The financial statements have been prepared under the historical cost convention in accordance with the Accounting Standards as given in Companies Accounting Standards Rules, 2006 and the relevant provisions of Companies Act, 1956 except as regards certain fixed assets as indicated below shown at fair value.

#### **2.2 System of Accounting:**

The Company has adopted accrual system of accounting.

#### **2.3 Use of Estimates:**

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

#### **2.4 Revenue:**

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

Revenue from sales of product is recognised on the transfer of substantial risk and rewards of ownership.

#### **2.5 Fixed Assets:**

Fixed Assets acquired on amalgamation on 1st April 2001 are stated at fair value determined at the time of amalgamation. Assets acquired thereafter are shown at cost. Cost includes all incidental expenditure, net of cenvat, wherever applicable. Expenditure on software is capitalised in accordance with the applicable Accounting Standard.

#### **2.6 Depreciation and Amortisation:**

Depreciation on fixed assets is calculated on straight-line method in the manner and at the rates as prescribed in schedule XIV of the Companies Act, 1956. Depreciation on additions / deletions to fixed assets during the year is provided on a pro-rata basis.

#### **2.7 Investments:**

Investments are either classified as current or long term based on management's intention at the time of purchase. Current investments are carried at lower of cost and fair value. Long term investments are stated at cost. Provision is made for any diminution in value, if other than temporary.

#### **2.8 Inventories:**

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

#### **2.9 Employee Benefits:**

##### **Defined Contribution Plan**

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

**Defined Benefit Plan**

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

**2.10 Foreign Currency Transactions:**

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

**2.11 Borrowing costs:**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

**2.12 Taxation:**

Current tax is determined as the amount of tax payable in respect of taxable income for the period based on applicable tax rate and laws.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax asset on account of unabsorbed loss/depreciation is recognised only if virtual certainty as regards absorption thereof exists.

**2.13 Miscellaneous Expenditure:**

Preliminary expenses are deferred over the period of 10 years.

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

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

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

**Note 3 : Share Capital**

	Particulars	As at 31st March, 2014		As at 31st March, 2013	
		Number	₹	Number	₹
A	Authorised				
1	Equity Shares of ₹ 10/- each with voting rights	16,000,000	160,000,000	16,000,000	160,000,000
B	Issued, Subscribed & Fully Paid Up Shares				
1	Equity Shares of ₹ 10/- each fully paid with voting rights	7,318,430	73,184,300	7,318,430	73,184,300
	<b>Total</b>	<b>7,318,430</b>	<b>73,184,300</b>	<b>7,318,430</b>	<b>73,184,300</b>

**Annual Report 2013 - 14**
**a. Terms & Rights attached to equity shares :**

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

In the event of Liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the Number of equity shares held by the Shareholders.

**b. Details of Shareholder's holding more than 5% shares in the Company;**

	Class of shares / Name of shareholder	As at 31st March, 2014		As at 31st March, 2013	
		No. of Shares	% of Holding	No. of Shares	% of Holding
	<b>Equity shares with voting rights</b>				
1	Motika Ltd	1,746,420	23.86%	1,746,420	23.86%
2	Mahendra Sanghvi	829,875	11.34%	829,875	11.34%
3	Tilottama Sanghvi	798,490	10.91%	798,490	10.91%
4	Jayesh Shah	679,838	9.29%	682,838	9.33%
5	Lax Nagda	508,702	6.95%	508,702	6.95%
6	Laxman Sanghvi	501,924	6.86%	501,924	6.86%
7	Bharat Sanghvi	373,584	5.10%	373,584	5.10%

**Note 4 : Reserves & Surplus**

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
<b>1 Capital Reserves</b>	<b>9,291,156</b>	<b>9,291,156</b>
Closing Balance	9,291,156	9,291,156
<b>2 Securities Premium Account</b>	<b>81,865,540</b>	<b>81,865,540</b>
Closing Balance	81,865,540	81,865,540
<b>3 General Reserve</b>	<b>21,035,025</b>	<b>21,035,025</b>
<b>4 Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	174,325,597	138,111,057
Add: Profit / (Loss) for the year	65,855,045	36,214,546
Closing Balance	<b>240,180,642</b>	<b>174,325,603</b>
<b>Total</b>	<b>352,372,363</b>	<b>286,517,323</b>

**Note 5 : Long Term Borrowings**

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
<b>1 Term loans (Secured)</b>		
from banks		
-in Rupees	56,084,732	24,224,557
-in Foreign Currency	298,515,500	108,570,000
<b>2 Long term maturities of finance lease obligations (Secured)</b>	<b>1,235,608</b>	<b>1,222,832</b>
<b>3 Deferred payment liabilities (Unsecured)</b>	<b>2,103,988</b>	<b>2,103,988</b>
<b>4 Deposits (Unsecured)</b>	<b>23,565,000</b>	<b>15,260,000</b>
<b>Total</b>	<b>381,504,828</b>	<b>151,381,377</b>

## Notes :

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

Particulars	Terms of repayment and security	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
		Secured	Secured
<b>Term loans from banks:</b>			
SBI (In rupees)	<b>Terms of Repayment:-</b> <b>SBI (In rupees) :-</b> Quarterly repayment of Rs. 42.50 Lacs FY 14(PY Rs 91 Lacs) <b>SCB (In rupee Currency) :-</b> Monthly repayment of ` Nil (PY Rs 24 Lacs) <b>SCB UK (in foreign Currency) :</b> Quarterly repayment of ECB-1 of 1 lac USD (PY 1 lac USD) & ECB-2 of 2.5 lacs USD beginning from March'15	73,084,732	101,874,557
SCB (In rupees)		-	1,937,500
SCB UK (In foreign currency)		341,515,500	108,570,000
<b>Total - Term loans from banks</b>		<b>414,600,232</b>	<b>212,382,057</b>
Less: Repayment within next 12 months, current maturities of Long Term Debt reflected in Note No: 10 other current liabilities.	<b>Security :-</b> Term loan from banks are secured by a pari passu charge over entire fixed assets of the Company including mortgage over factory land, building and plants of the Company situated at a) Plot # 706, 707 and 708 at GIDC ,Halol. b) Survey # 366,364/1, 364 /1(A) 364/2 364/3 and 363 at Rania,ECB-2 is further secured by hypothecation of all current assets of the company, present & future. These are further secured by personal guarantee of some of the directors of the Company	60,000,000	79,587,500
<b>Total Long Term loans (Secured)</b>		<b>354,600,232</b>	<b>132,794,557</b>

Particulars	Terms of repayment and security	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
		Secured	Secured
<b>Long-term maturities of finance lease obligations:</b>	<b>Terms of Repayment:-</b> There is monthly repayment for Hire purchase loans <b>Security :-</b> Hire Purchase Facilities are secured by hypothecation of respective vehicles financed.		
HDFC Bank		1,222,832	2,373,083
SBI Bank		-	-
AXIS Bank		1,345,700	828,776
<b>Total-Term maturities of finance lease obligations (Secured)</b>		<b>2,568,532</b>	<b>3,201,859</b>
Less: Repayment within next 12 months, current maturities of finance lease obligations reflected in Note No: 10 other current liabilities.		1,332,924	1,979,026
<b>Total - Long-term maturities of finance lease obligations</b>		<b>1,235,608</b>	<b>1,222,832</b>

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

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Term loans from banks	414,600,232	212,382,057

**Note 6 : Other Long Term Liabilities**

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
1 Advance from customers	14,103,563	12,872,590
<b>Total</b>	<b>14,103,563</b>	<b>12,872,590</b>

**Note 7 : Long Term Provisions**

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
1 Provision for employee benefits		
Provision for compensated absences (Refer Note 29.1)	4,897,033	3,072,787
<b>Total</b>	<b>4,897,033</b>	<b>3,072,787</b>

**Note 8 : Short Term Borrowings**

	Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
<b>1</b>	<b>Loans repayable on demand</b>		
	From banks		
	-Secured	205,658,602	223,170,361
	-Unsecured	9,578,543	5,000,000
	<b>Total</b>	<b>215,237,145</b>	<b>228,170,361</b>

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

	Particulars	Nature of security	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
	<b><u>Loans repayable on demand - Secured from banks:</u></b>			
	State Bank of India	Working capital loans from banks are secured by hypothecation of all current assets of the Company, present and future, such as inventories, receivables, loans and advances, etc. Working capital loans are further secured by second pari passu charge over entire fixed assets of the Company including factory land ,building and plants of the Company as stated above. These are further secured by personal guarantees of some of the directors of the Company.	134,083,558	168,592,944
	Bank of Baroda		-	(364,324)
	Standard Chartered Bank		71,575,045	54,941,741
	<b><u>Loans repayable on demand - Unsecured</u></b>			
	Citi Bank		9,578,543	5,000,000
	<b>Total - from Banks</b>		<b>215,237,145</b>	<b>223,170,361</b>

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

	Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
	Loans repayable on demand from banks	205,658,602	223,170,361

**Note 9 : Trade Payables**

	Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
1	<b>Trade Payables</b>		
	Dues to Micro and Small Enterprises	77,184	120,427
	Other Trade Payables	271,283,615	176,381,272
	Capital Goods	2,392,106	3,433,268
	<b>Total</b>	<b>273,752,905</b>	<b>179,934,967</b>

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

**Note 10 : Other Current Liabilities**

	Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
1	Current maturities of long-term debt (Secured)	60,000,000	79,587,500
2	Current maturities of finance lease obligations (Secured)	1,332,924	1,979,026
3	Advance from customers	22,295,885	22,032,203
4	Unpaid dividends	2,500	2,500
5	Other Liabilities		
	-Statutory Remittances	1,602,405	1,385,134
	<b>Total</b>	<b>85,233,714</b>	<b>104,986,363</b>

**Note 11 : Short Term Provisions**

	Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
1	Provision for employee benefits		
	Gratuity (Funded) (Ref Note 29.1)	-	-
	Leave Encashment (unfunded) (Ref Note 29.1)	2,498,262	2,193,759
2	Others		
	Taxation	1,527,862	-
	<b>Total</b>	<b>4,026,124</b>	<b>2,193,759</b>

**Note 12 : Fixed Assets**

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



**Note 13 : Non Current Investment**

Particulars		As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
A	<b>Trade Investments (at Cost)</b>		
1	Unquoted Equity Instrument		
	Investments in Associates		
(i)	124,000 Equity Shares of Rs.10/ each of Panax Appliances Pvt Ltd fully paid up	1,240,000	1,240,000
		1,240,000	1,240,000
	Less : Provision for diminution in the value of Investments	1,240,000	1,240,000
		-	-
2	Unquoted Preference Instrument		
(i)	871,000 (As at 31-Mar-13: 871,000 at Rs.10/- each ) 6 % Cumulative Redeemable Preference Share of Rs. 4/- each of Panax Appliances Pvt Ltd fully paid up	2,704,000	2,704,000
	Sub Total (A)	2,704,000	2,704,000
B	<b>Other Investments (at Cost)</b>		
(i)	325 Shares of Rs.25 each of The Citizen Co-Operative Credit Society Ltd	8,125	8,125
(ii)	1340 shares of Rs. 10/- of Co-Operative Bank Of Baroda	33,501	33,501
	Sub Total (B)	41,626	41,626
	<b>Total</b>	<b>2,745,626</b>	<b>2,745,626</b>

**Note 14 : Long Term Loans & Advances**

Particulars		As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
1	<b>Capital Advances</b> (Unsecured, considered good)	68,110,174	11,172,097
2	<b>Security Deposits</b> (Unsecured, considered good)	10,414,331	10,098,384
3	<b>Loans and advances to related parties (refer Note 29.3)</b> (Unsecured, considered good)	2,002,373	2,002,373
4	<b>MAT credit entitlement</b>	-	23,313,067
	<b>Total</b>	<b>80,526,878</b>	<b>46,585,922</b>

Particulars		As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
	Closely held Public Company in which director is a member	-	-
	Private Company in which director is a member	2,002,373	2,002,373

**Note 15 : Other Non-current assets**

Particulars		As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
1	Unamortised expenses		
(i)	Share issue expenses	956,100	1,434,150
	<b>Total</b>	<b>956,100</b>	<b>1,434,150</b>

**Note 16 : Inventories**

	Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
1	Raw Materials and components	111,217,538	78,884,790
2	Work-in-progress	21,364,669	21,115,809
3	Finished goods	10,641,590	18,832,256
4	Stores and spares	4,379,287	3,145,412
5	Packing Materials	4,890,828	3,056,692
	<b>Total</b>	<b>152,493,912</b>	<b>125,034,958</b>

**Note 17 : Trade Receivables**

	Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
1	Trade receivables outstanding for a period less than six months from the date they are due for payment Unsecured, considered good	322,423,111	255,250,586
	<b>Sub Total</b>	<b>322,423,111</b>	<b>255,250,586</b>
2	Trade receivables outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered good	3,329,477	6,498,221
	<b>Sub Total</b>	<b>3,329,477</b>	<b>6,498,221</b>
	<b>Total</b>	<b>325,752,588</b>	<b>261,748,808</b>

**Note 18 : Cash and cash equivalents**

	Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
1	Cash on Hand	524,183	861,063
2	Balances with banks		
	(i) In current accounts	1,826,132	121,550
	(ii) In EEFC accounts	25,053,959	14,327,976
	(iii) In deposit accounts	164,710,323	22,122,647
	(iv) In earmarked accounts		
	- Unpaid dividend accounts	7,950	17,150
	- Balances held as margin money or security against borrowings, guarantees and other commitments	52,791,261	28,485,184
	<b>Total</b>	<b>244,913,808</b>	<b>65,935,570</b>

**Note 19 : Short Term Loans & Advances**

	Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
1	<b>Loans and advances to employees</b> (Unsecured, considered good)	83,100	68,165
2	<b>Prepaid expenses</b> (Unsecured, considered good)	7,193,576	3,609,623
3	<b>Advance payment of tax</b>	-	4,040,041
4	<b>Advance recoverable in cash or kind for the value to be received</b> (Unsecured, considered good)	25,094,985	33,542,726
5	<b>Balance with excise &amp; indirect tax authorities</b> (Unsecured, considered good)		
	(i) CENVAT credit receivable	37,150,797	30,684,486
	(ii) VAT credit receivable	33,609,577	30,232,093
	(iii) Service Tax credit receivable	6,789,537	3,401,876
	(iv) Advance Import Duty	603,652	124,557
6	<b>MAT Credit Entitlement</b>	21,801,332	12,039,496
	<b>Total</b>	<b>132,326,556</b>	<b>117,743,063</b>

	Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
	Officers of the Company - other than Directors	83,100	68,165

**Note 20 : Other Current Assets**

	Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
1	Unamortised expenses		
	(i) Deferred Revenue Expense	-	21,001
	(ii) Share issue expenses	478,050	478,050
2	Other Income receivable	-	1,594,682
	<b>Total</b>	<b>478,050</b>	<b>2,093,733</b>

**Note 21 : Revenue**

	Particulars	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
1	Sale of Products (Gross)	1,535,397,890	1,242,934,648
	Export Sales	1,038,790,122	910,514,007
	Domestic Sales	496,607,768	332,420,641
	Less: Excise Duty	(43,266,838)	(29,395,565)
	<b>Net Sales</b>	<b>1,492,131,052</b>	<b>1,213,539,084</b>
2	Sale of services	12,334,587	9,714,052
3	Other operating revenue	3,341,315	4,364,382
	<b>Total</b>	<b>1,507,806,954</b>	<b>1,227,617,517</b>

Note	Particulars	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
(i)	Sale of products comprises: <u>Manufactured goods</u> Components and Articles of Plastics/Moulds	1,492,131,052	1,213,539,084
	<b>Total - Sale of Products</b>	<b>1,492,131,052</b>	<b>1,213,539,084</b>
(ii)	Sale of services comprises: Job work Design and Development Repairs & Maintenance Income	2,205,281 6,496,306 3,633,000	- 9,714,052 -
	<b>Total - Sale of services</b>	<b>12,334,587</b>	<b>9,714,052</b>
(iii)	Other operating revenues comprises: Sale of scrap Duty drawback incentives Service Tax refund/Rebate/Credit Profit on sale of Moulds	609,916 1,409,031 1,123,213 199,155	470,696 548,994 2,068,622 1,276,070
	<b>Total - Other operating revenues</b>	<b>3,341,315</b>	<b>4,364,382</b>

**Note 22 : Other Income**

	Particulars	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
1	Interest Income	4,631,899	6,268,106
2	Dividend income from long-term investments	5,025	5,025
3	Other non-operating income (net of expenses directly attributable to such income)	763,200	80,021
	<b>Total</b>	<b>5,400,124</b>	<b>6,353,152</b>

Note	Particulars	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
(i)	Interest income comprises:		
	Interest from banks on:		
	Deposits	3,172,131	4,016,303
	Interest on loans and advances	318,647	1,614,037
	Other interest	1,141,121	637,766
	<b>Total - Interest income</b>	<b>4,631,899</b>	<b>6,268,106</b>
(ii)	Other non-operating income comprises:		
	Insurance Claim	763,200	59,841
	Miscellaneous income	-	20,180
	<b>Total - Other non-operating income</b>	<b>763,200</b>	<b>80,021</b>

**Note 23 : Cost of Raw Material Consumed**

	Particulars	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
1	Opening stock	78,884,790	67,725,380
2	Add: Purchases	890,645,491	718,259,629
		<b>969,530,281</b>	<b>785,985,009</b>
3	Less: Closing stock	111,217,538	78,884,790
	<b>Total</b>	<b>858,312,743</b>	<b>707,100,219</b>

	Material consumed comprises:		
(i)	Plastic Granules	682,210,176	608,322,036
(ii)	Other Materials and Components	114,639,694	76,193,004
(iii)	Mould Materials	61,462,873	22,585,178
	<b>Total</b>	<b>858,312,743</b>	<b>707,100,218</b>

**Note 24 : (Increase)/decrease in Stock**

	Particulars	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
1	Inventories at the end of the year:		
(i)	Finished goods	10,641,590	18,832,256
(ii)	Work-in-progress	21,364,669	21,115,809
		<b>32,006,259</b>	<b>39,948,065</b>
2	Inventories at the beginning of the year:		
(i)	Finished goods	18,832,256	5,676,519
(ii)	Work-in-progress	21,115,809	16,644,088
		<b>39,948,065</b>	<b>22,320,607</b>
3	Increase / (decrease) of excise duty on inventory	(327,898)	860,549
	<b>Net (increase) / decrease</b>	<b>7,613,908</b>	<b>(16,766,910)</b>

**Note 25 : Employee Benefit Expenses**

	Particulars	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
1	Salaries and Wages	144,508,522	117,542,325
2	Contributions to provident fund (Refer Note 29.1)	7,471,073	6,252,037
3	Staff Welfare Expenses	8,398,757	7,271,732
	<b>Total</b>	<b>160,378,352</b>	<b>131,066,095</b>

**Note 26 : Finance Costs**

	Particulars	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
1	Interest expense on:		
(i)	Borrowings [Including interest rate swap related charges of Rs. 4,170,178 (PY Rs.2,618,701)]	54,529,431	50,039,921
(ii)	Public Deposit	1,974,719	1,933,999
2	Other borrowing costs	11,019,674	11,567,425
3	Net loss/(gain) on foreign currency transactions and translation (considered as finance cost)	3,133,630	4,888,400
4	Loss on derivatives (net)	-	885,508
	<b>Total</b>	<b>70,657,454</b>	<b>69,315,255</b>

**Note 27 : Other Expenses**

	Particulars	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
1	Power and fuel	74,198,842	68,211,035
2	Packing expense	70,674,814	62,732,591
3	Stores and spares consumed	10,946,891	9,872,331
4	Labour Charges	1,764,157	7,190,785
5	Mould usage charges	-	455,516
6	Repairs & maintenance		
	Building	1,693,424	771,032
	Plant & Machinery	10,044,220	7,045,564
	Others	3,029,312	3,699,649
7	Rent	5,089,884	5,518,160
8	Rates and taxes	301,285	516,134
9	Insurance	5,212,104	4,852,962
10	Conveyance expense	903,776	863,046
11	Postage and telephone expense	1,437,509	1,474,688
12	Printing and stationery	1,174,652	1,129,626
13	Vehicle expenses	4,516,263	4,215,665
14	Legal and professional	6,054,670	4,720,507
15	Directors' Sitting Fees	480,000	360,000
16	Sales commission, discount and fees	8,887,570	8,682,523
17	Payments to auditors (Refer Note (i) below)	1,000,000	1,000,000
18	Travelling expense	12,095,674	10,730,441
19	Carriage outwards	12,518,219	17,617,639
20	Advertisement	87,577	90,911
21	Amortisation of share issue expenses and discount on shares	499,051	556,073
22	Bad trade and other receivables, loans and advances written off	1,370,646	418,894
23	Loss on Fixed Assets sold/Scraps/Written off (net)	445,351	137,018
24	Net loss on foreign currency transactions and translation (other than considered as finance cost)	13,795,479	8,168,679
25	Miscellaneous Expenses	6,028,769	5,469,862
	<b>Total</b>	<b>254,250,139</b>	<b>236,501,332</b>

Note	Particulars	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
(i)	Payments to the auditors comprises (net of service tax input credit):		
	As auditors - Statutory audit	825,000	825,000
	- Tax audit	175,000	175,000
	<b>Total</b>	<b>1,000,000</b>	<b>1,000,000</b>

**Note 28 : Additional information to the financial statements**

Note	Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
28.1	<b>Contingent liabilities and commitments (to the extent not provided for)</b>		
(i)	Contingent liabilities		
	(a) Guarantees	1,000,000	1,325,000
	(b) Pending export obligation against advance licenses (obligation to be completed by March 2014)	Nil	Nil
(ii)	Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for		
	-Tangible assets	110,364,740	35,110,101

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

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

	Name of the party	Relationship	Amount outstanding as at 31 March, 2014 ₹	Maximum balance outstanding during the year ₹
	Panax Appliances Pvt. Ltd	Significant Influence	1,777,784 Cr (1,477,884)	1,777,784 Cr (1,477,884)
	Shaily IDC (India) Private Limited	Significant Influence	2,002,373 (2,002,373)	2,002,373 (2,002,373)

Note: Figures in bracket relate to the previous year.



Note	Particulars				
<b>28.3</b>	<b>Details on derivatives instruments and unhedged foreign currency exposures</b>				
	I. The following derivative positions are open as at 31 March, 2014. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and be designated as hedging instruments.				
	(a) Forward exchange contracts and options [being derivative instruments], which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certificate.				
	Outstanding option contracts entered into by the Company as on 31 March, 2014				
	<b>Currency</b>	<b>Amount in USD</b>	<b>Buy / Sell</b>	<b>Cross currency</b>	
	USD	Nil (Nil)	Buy (Buy)	Rupees (Rupees)	
	Note: Figures in brackets relate to the previous year				
	(b) Currency swaps (other than forward exchange contracts stated above) to hedge against fluctuations in changes in exchange rate. No. of contracts: Nil (As at 31 March, 2013: One)				
	(c) Interest rate swaps to hedge against fluctuations in interest rate changes: No. of contracts: Two (As at 31 March, 2013: One)				
	II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:				
	<b>Particulars</b>	<b>As at 31 March, 2014</b>		<b>As at 31 March, 2013</b>	
		<b>Receivable/ (Payable)</b>	<b>Receivable/ (Payable) in Foreign currency</b>	<b>Receivable/ (Payable)</b>	<b>Receivable/ (Payable) in Foreign currency</b>
	Trade Payables	(172,434,100) (2,117,563) (1,826,251)	USD (2,877,979) EUR (25,610) GBP (18,306)	(97,292,818) (1,046,942) (2,223)	USD (1,792,260) EUR (15,065) GBP (27)
	Trade Receivables	116,159,045 720,277	USD 1,957,666 EUR 8,711	143,674,902 -	USD 2,721,895 -
	Advances received	-	-	605,379	EUR 10,961
	Advances given	83,528,284 209,338 3,990,600 354,747	USD 1,394,113 EUR 2,532 GBP 40,000 JPY 611,000	28,092,383 1,309,390 - -	USD 701,711 EUR 18,842 - -
	Loans Taken	(341,515,500)	USD (5,700,000)	(108,570,000)	USD (2,000,000)
	Bank balances	25,053,959	USD 418,158	14,327,976	USD 263,940
<b>Note</b>	<b>Particulars</b>	<b>For the year ended 31 March, 2014</b>		<b>For the year ended 31 March, 2013</b>	
		<b>₹</b>		<b>₹</b>	
<b>28.4</b>	<b>Value of imports calculated on CIF basis:</b>				
	Raw materials	311,387,145		207,427,224	
	Moulds	1,825,888		25,378,721	
	Capital goods	18,609,052		26,868,233	
	<b>Total</b>	<b>331,822,085</b>		<b>259,674,177</b>	

Note	Particulars	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
28.5	<b>Expenditure in foreign currency:</b>		
	Professional and consultation fees	5,044,200	4,909,050
	Godown Rent	3,649,884	4,078,160
	Testing Charges	414,847	822,529
	Foreign travelling	2,264,683	1,583,252
	Interest on ECB	13,184,053	5,965,558

Note	Particulars	For the year ended 31 March, 2014	
		₹	%
28.6	<b>Details of consumption of imported and indigenous items</b>		
	<u>Imported</u>		
	Raw materials	366,421,174 (243,526,515)	42.69% (34.44%)
	<b>Total</b>	<b>366,421,174</b> (243,526,515)	<b>42.69%</b> (34.44%)
	<u>Indigenous</u>		
	Raw materials	491,891,569 (463,573,703)	57.31% (65.56%)
	<b>Total</b>	<b>491,891,569</b> (463,573,703)	<b>57.31%</b> (65.56%)

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

Note	Particulars	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
28.7	<b>Earnings in foreign exchange:</b>		
	Export of goods calculated on FOB basis	1,038,790,122	910,514,007

**Note 29 : Disclosures under Accounting Standards**

Notes	Particulars
<b>29.1</b>	<b>Employee benefit plans</b>
<b>29.1a</b>	<b>Defined contribution plans</b>
	The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 6,700,571/- (Year ended 31 March, 2013 ₹ 5,617,431/-) for Provident Fund contributions and ₹ 1,770,585/- (Year ended 31 March, 2013 ₹ 1,415,664/-) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.
<b>29.1b</b>	<b>Defined benefit plans</b>
	The Company offers the following employee benefit schemes to its employees: i. Gratuity ii. Post-employment medical benefits iii. Other defined benefit plans (specify nature) The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

	Particulars	₹			
		Year ended 31 March, 2014		Year ended 31 March, 2013	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>I</b>	<b>Expense recognized in Profit &amp; Loss Account for the year ended 31st March</b>				
a.	Current Service Cost	1,062,042	1,441,984	865,076	1,090,518
b.	Interest cost	806,797	285,730	678,881	293,520
c.	Expected return on plan assets	(1,044,741)	-	(806,585)	-
d.	Actuarial (Gain)/Loss on obligation	2,161,337	1,245,363	1,171,538	(110,565)
e.	Net expense recognised in Profit & Loss Account (in Note 25 – Employee Benefit Expenses)	2,985,435	2,973,077	1,908,910	1,273,473
<b>II</b>	<b>Changes in Obligation during the year ended 31st March</b>				
a.	Obligation as on 1st April	10,363,906	5,266,546	8,414,584	5,159,038
b.	Current service cost	1,062,042	1,441,984	865,076	1,090,518
c.	Interest cost	806,797	285,730	678,881	293,520
d.	Actuarial (Gain)/Loss on obligation	1,708,633	1,245,363	1,260,862	(110,565)
e.	Benefits Paid	(557,897)	(844,328)	(855,497)	(1,165,965)
f.	PV of Obligation as on 31st March	13,383,481	7,395,295	10,363,906	5,266,546
<b>III</b>	<b>Changes in Plan Assets during the year ended 31st March</b>				
a.	Fair Value of Plan Assets as on 1st April	10,374,704	-	8,410,363	-
b.	Expected return on Plan assets	1,044,741	-	806,585	-
c.	Actuarial Gain/(Loss)	(435,224)	-	89,324	-
d.	Contributions	2,990,000	-	1,923,929	-
e.	Benefits Paid	(557,897)	-	(855,497)	-
f.	Actual return on plan assets	-	-	-	-
g.	Fair Value of Plan Assets as on 31st March	13,416,324	-	10,374,704	-
<b>IV</b>	<b>Net Assets / Liabilities recognized in the Balance Sheet as at 31st March</b>				
a.	PV of Obligation as on 31st March	13,383,481	7,395,295	10,363,906	5,266,546
b.	Fair Value of Plan Assets as on 31st March	13,416,324	-	10,374,704	-
c.	Net Liabilities / (Assets) recognised in the Balance Sheet as at 31st March	(32,843)	7,395,295	(10,798)	5,266,546
<b>V</b>	<b>Principal Actuarial Assumptions</b>				
a.	Discount rate as on 31st March (per annum) (Refer Note-1)	9.10%	9.10%	8.00%	8.00%
b.	Rate of return on Plan Assets as at 31st March (per annum) (Refer Note-3)	9.00%	-	9.00%	-
c.	Expected increase in salary costs (per annum) (Refer Note-2)	4.00%	4.00%	2.00%	2.00%

1	Discount rate is determined by reference to market yields at the Balance Sheet date on Govt. Bonds, where the currency and terms of the Govt. Bonds are consistent with the currency and estimated terms for the benefit obligation.
2	The estimate of future salary increases take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
3	100% of Plan Assets are invested in group gratuity scheme offered by HDFC Standard Life Insurance Company Limited.

Note	Particulars	
<b>29.2</b>	<b>Segment Reporting:</b> Business Segment: The Company is engaged in the business of manufacturing of injection molded plastics components, moulds etc, which as per the Accounting Standard (AS 17) 'Segment Reporting' is considered the only reportable segment.	
<b>29.3</b>	<b>Related party transactions</b>	
<b>29.3a</b>	<b>Details of related parties:</b>	
	<b>Description of relationship</b>	<b>Names of related parties</b>
	<b><u>Key Management Personnel</u></b>	
	Managing Director	Mr. Mahendra B. Sanghvi
	Executive Director	Mr. Laxman B. Sanghvi
	Whole Time Director	Mrs. Tilottama M. Sanghvi
	Whole Time Director	Mr. Amit M. Sanghvi
	Director	Mr. Samaresh B Parida
	<b><u>Other Related Parties</u></b>	
	Significant influence	Panax Appliances Pvt. Ltd.
	Significant influence	Shaily-IDC India Pvt. Ltd.
	Significant influence	Integra Engineering India Ltd.
	Relative of key management personnel	Mr. Jayesh Shah
	Relative of key management personnel	Ms. Purnima Shah
	Relative of key management personnel	Mrs. Kinjal S Bhavsar
	Relative of key management personnel	Mr. Bharat Sanghvi
	Relative of key management personnel	Mrs. Kalpana L Sanghvi
	Relative of key management personnel	Mrs. Rashmi B Sanghvi
	Firm owned by relative of key management	Jariwala Shah Kanji Raichand & Co

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2014 and balances outstanding as at 31 March, 2014					
					₹
29.3b		KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
	Sales of goods	-	-	11,192,081	11,192,081
		-	-	(6,283,849)	(6,283,849)
	Professional Fees	1,350,000	-	-	1,350,000
		-	-	-	-
	Sale of fixed assets	-	-	-	-
		(670,000)	-	-	(670,000)
	Remuneration Paid	19,452,523	901,363	-	20,353,886
		(15,077,627)	-	-	(15,077,627)
	Rent paid for lease arrangements	840,000	-	600,000	1,440,000
		(840,000)	-	(600,000)	(1,440,000)
	Sitting Fees	90,000	-	-	90,000
		(60,000)	-	-	(60,000)
	Interest paid on deposits received	741,146	224,038	-	965,184
		(735,070)	(225,590)	-	(960,660)
	<b>Balances outstanding at the end of the year</b>				
	<b>Loans and advances:</b>				-
	Shaily-IDC India Pvt Ltd	-	-	2,002,373	2,002,373
				(2,002,373)	(2,002,373)
	<b>Investment:</b>				
	Panax Appliances Pvt. Ltd	-	-	3,944,000	3,944,000
		-	-	(3,944,000)	(3,944,000)
	Trade Payables: Panax Appliances Pvt. Ltd	-	-	1,777,784	1,777,784
		-	-	(1,477,884)	(1,477,884)

Note : Figures in bracket relates to the previous year

Note	Particulars	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
29.4	<b>Details of leasing arrangements</b> As Lessee The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and are for a period of 1 year and may be renewed for a further period of 1 year based on mutual agreement of the parties. Future minimum lease payments not later than one year Lease payments recognised in the Statement of Profit and Loss		
		1,440,000 1,440,000	1,440,000 1,440,000

Note	Particulars	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
29.5	<b>Earnings Per Share</b>		
	Number of Equity Shares at the beginning of the year	7,318,430	7,318,430
	Number of Equity Shares at the end of the year	7,318,430	7,318,430
	Weighted average number of Equity Shares Outstanding during the year.	7,318,430	7,318,430
	Face Value of each Equity Share (Rs.)	10	10
	Profit after Tax Available for the Equity Shareholders		
	<b>Profit after Taxation</b>	<b>65,855,045</b>	<b>36,214,546</b>
	65,855,045	36,214,546	
	<b>Basic Earning Per Share (Rs.)</b>	<b>9.00</b>	<b>4.95</b>
	<b>Diluted Earning Per Share (Rs.)</b>	<b>9.00</b>	<b>4.95</b>

Note	Particulars	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
29.6	<b>Deferred tax liability as on 31.3.2014 is ₹ 318.23, major component of Deferred tax balance is set out below:</b>		
	Deferred Tax Liability: (A)		
	i) Difference between Accounting and Tax WDV (Cumulative)	35,365,232	33,335,525
	ii) Other timing differences		-
	Deferred Tax Assets: (B)		
	i) Other timing differences	3,542,634	2,578,462
	ii) Unabsorbed depreciation/ business loss	-	-
	Net Deferred Tax Liability / (Asset) (A-B)	31,822,598	30,757,063

Note	Particulars	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
29.7	<b>Details of borrowing costs capitalised</b> Borrowing costs (net of interest income earned) capitalised during the year as a part of capital work-in-progress	2,728,446	Nil

Note	Particulars
30	The previous year figures have been regrouped / re-classified to conform to the current year's classification

## NOTICE

Notice is hereby given that the **THIRTY FOURTH ANNUAL GENERAL MEETING** of the Members of Shaily Engineering Plastics Limited will be held on Saturday, 20th September, 2014 at 2.00 p.m. at the Registered Office of the Company at Survey No. 364/366, At & Po. Rania - 391780, Taluka Savli, Dist. Vadodara, to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on 31st March, 2014 including Balance Sheet as at 31st March 2014, Statement of Profit and Loss Account along with notes appended thereto, for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Tilottama Sanghvi (DIN: 00190481), who retires by rotation and, being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Laxman Sanghvi (DIN: 00022977), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint M/s. Deloitte Haskins & Sells, Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT** M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara (Firm Registration Number 117364W), the retiring Auditors of the Company, be and are hereby re-appointed as an Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company.  
**RESOLVED FURTHER THAT** the Managing Director be and is hereby authorized to fix the remuneration payable and reimbursement of out of pocket expenses, if any, to the said Auditors."

### Special Business

5. To consider and if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:  
**"RESOLVED THAT** pursuant to section 2(94), 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government, if necessary, and such other approvals, permissions and sanctions, as may be required, approval of the Company be and is hereby accorded to the re-appointment of Mrs. Tilottama Sanghvi (DIN: 00190481) as Whole-time Director of the Company for a Period of 3(Three) years effective from 1st June 2014 on the terms and conditions including remuneration as set out in the statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (term shall deemed to include Nomination and Remuneration committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mrs. Tilottama Sanghvi, subject to the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof; and on the remuneration, which is as follows:  
**Gross Remuneration** - Rs.2,50,000 per month in range of Rs.2,50,000 to Rs.5,00,000 per month.  
**Commission** - Commission based on the net profits of the company as determined by the Board, subject to the ceiling prescribed in that behalf under the Companies Act, 2013 at the discretion of the Board of Directors.  
**Accommodation** - House Rent Allowance and house maintenance expenses, society charges and the like relating thereto on actual basis within the ceiling of the gross remuneration.  
**Perquisites** - Perquisites together with utilities thereof such as gas, electricity, water, servants' allowance, education allowance for dependent children, entertainment and newspaper and periodicals allowance, medical reimbursements, leave travel allowance for herself and her family, club fees, medical insurance, and the like in accordance with the rules of the company or as agreed by the Board of Directors, the total value thereof to be restricted to an amount not exceeding his monthly gross remuneration.



**Superannuation Scheme** - Contribution towards superannuation scheme @10% of basic salary, which would be within the monthly gross remuneration as mentioned above.

**Retirement Benefits** - Company's contribution to Provident Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 and Gratuity payable in accordance with the Rules of the Company and the value of such benefits shall not be included in the computation of the ceiling on remuneration or perquisites aforesaid.

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

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

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year during the tenure of Mrs. Tilottama Sanghvi as Whole-Time Director, the remuneration as specified above shall be paid and allowed to Mrs. Tilottama Sanghvi as minimum remuneration for such financial year.

**RESOLVED FURTHER THAT** the Board shall be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

**“RESOLVED THAT** pursuant to section 2(94),196,197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government, if necessary, and such other approvals, permissions and sanctions, as may be required, approval of the company be and is hereby accorded to the re-appointment of Mr. Amit Sanghvi (DIN: 00022444) as Whole-time Director of the Company for a Period of 3 (Three) years effective from 1st October, 2014 on the terms and conditions including remuneration as set out in the statement annexed to the Notice convening this Meeting with liberty to the Board of Directors (term shall deemed to include Nomination and Remuneration committee of the Board) to alter and vary terms and conditions of the said re-appointment and /or remuneration as it may deem fit and as may be acceptable to Mr. Amit Sanghvi, subject to the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof; and on the remuneration, which is as follows:

**Gross Remuneration** - Rs.4,00,000 per month in range of Rs.4,00,000 to Rs.7,00,000 per month.

**Commission** - Commission based on the net profits of the company as determined by the Board, subject to the ceiling prescribed in that behalf under the Companies Act, 2013 at the discretion of the Board of Directors.

**Accommodation** - House Rent Allowance and house maintenance expenses, society charges and the like relating thereto on actual basis within the ceiling of the gross remuneration.

**Perquisites** - Perquisites together with utilities thereof such as gas, electricity, water, servants' allowance, education allowance for dependent children, entertainment and newspaper and periodicals allowance, medical reimbursements, leave travel allowance for himself and his family, club fees, medical insurance, and the like in accordance with the rules of the company or as agreed by the Board of Directors, the total value thereof to be restricted to an amount not exceeding his monthly gross remuneration.

**Superannuation Scheme** - Contribution towards superannuation scheme @10% of basic salary, which would be within the monthly gross remuneration as mentioned above.

**Retirement Benefits** - Company's contribution to Provident Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 and Gratuity payable in accordance with the Rules of the Company and the value of such benefits shall not be included in the computation of the ceiling on remuneration or perquisites aforesaid.

**Use of Car and Telephone** - Provision of one company owned car and driver for the company's business. The perquisite value for the car/driver will be determined as per prevailing Income Tax Rules, 1962 and telephone at residence (including

payments for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

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

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year during the tenure of Mr. Amit Sanghvi as Whole-Time Director, the remuneration as specified above shall be paid and allowed to Mr. Amit Sanghvi as minimum remuneration for such financial year.

**RESOLVED FURTHER THAT** the Board shall be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

**“RESOLVED THAT** pursuant to section 149, 150, 152 and other applicable provisions of the Companies Act, 2013, and read with Schedule IV to the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and amended clause 49 of the listing agreement which shall come into force w.e.f. 01.10.2014 as per Circular of SEBI dated 17.04.2014, Mr. Pushp Raj Sanghvi (DIN: 00347511), who was appointed as a director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the Company in the Calendar year 2019.”
8. To consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:  

**“RESOLVED THAT**, pursuant to section 149, 150, 152 and other applicable provisions of the Companies Act, 2013, and read with Schedule IV to Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and amended clause 49 of the listing agreement which shall come into force w.e.f. 01.10.2014 as per Circular of SEBI dated 17.04.2014, Mr. Sarup Chowdhary (DIN: 00004439), who was appointed as a director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the Company in the Calendar year 2019.”
9. To consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:  

**“RESOLVED THAT** pursuant to section 149, 150, 152 and other applicable provisions of the Companies Act, 2013, and read with Schedule IV to Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and amended clause 49 of the listing agreement which shall come into force w.e.f. 01.10.2014 as per Circular of SEBI dated 17.04.2014, Mr. A. S. Anandkumar (DIN: 00058292), who was appointed as a director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the Company in the Calendar year 2019.”
10. To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**  

**“RESOLVED THAT** in supersession to earlier resolutions, the consent of the Company be and is hereby accorded under section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, the rules made there under, and Articles of Association of the Company including any amendment, modification, variation or re-enactment thereof to the creation by the Board of Directors of the Company (hereinafter referred to as the `Board' which expression shall also include a Committee thereof) of such mortgages, charges and hypothecations in addition to the existing mortgages, charges and hypothecations created by the Company as the Board may direct on such of the assets of the Company, both present and future, in such manner as the Board may direct together with power to take over the management of the Company in certain events, to or in favour of all or of any the financial institutions/banks/any other investing agencies or any other person(s)/bodies corporate by way of private placement or otherwise to secure rupee/foreign currency loans, debentures,

bonds or other instruments of an equivalent aggregate value not exceeding Rs. 300 crores (Rupees Three hundred crores only) together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, or on redemption, costs, charges, expenses and all other monies payable by the Company to the aforesaid parties or any of them under the Agreement/Arrangements entered into/to be entered into by the Company in respect of the said loans/debentures/bonds or other instruments.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to finalise with the aforesaid parties or any of them the documents for creating the mortgages/ charges/hypothecations and accepting or making any alterations, changes, variations to or in the terms and conditions, to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, for the purpose of giving effect to this resolution.”

11. To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**

“**RESOLVED THAT** in supersession to earlier resolution(s), the consent of the Company be and is hereby accorded pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, the rules made there under, and Articles of Association of the Company including any amendment, modification, variation or re-enactment thereof to the Board of Directors of the Company to borrow, from time to time on such terms and conditions as it may deem fit, any sum or sums of money which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed, at any time, the aggregate of the paid up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purposes, provided that the total amount so borrowed by the Board, shall not, at any time exceed Rs.300 crores (Rupees Three Hundred crores only) and that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit.”

12. To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**.

“**RESOLVED THAT** pursuant to the provisions of Section 197 and other applicable provisions, if any of the Companies Act, 2013 and Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and subject to the approval of the Central Government, consent of the Members of the Company be and is hereby accorded for waiver of recovery of remuneration of Rs.13,50,000/- paid to Mr. Samaresh Parida, Director (DIN : 01853823) of the Company from 1st July, 2013 to 31st March, 2014.

**RESOLVED FURTHER THAT** Managing Director and the Company Secretary be and is hereby severally authorized to make the application to the Central Government pursuant to this resolution and that they are also authorised to do all such acts, deeds and things as may be required to be done in this regard including making of representation before the Central Government.

13. To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**.

“**RESOLVED THAT** pursuant to the provisions of Sections 197 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and subject to such permissions, sanctions and approvals as may be necessary, Mr. Samaresh Parida, Director (DIN : 01853823) of the Company who possesses the requisite qualifications, be paid a fixed remuneration of Rs.18,00,000/- (Rupees Eighteen Lakhs Only) per annum plus applicable taxes, payable in equal quarterly installments of Rs.4,50,000/- (Four Lakhs Fifty Thousand Rupees Only) per quarter, payable at the end of the relevant quarter w.e.f. 1st April, 2014 for a period of 2 years, for his professional services to be rendered to the Company.

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

14. To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**.

“**RESOLVED THAT** pursuant to the provision of section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are

## Annual Report 2013 - 14

hereby approved and adopted in substitution, and to the entire exclusion, of the regulation contained in the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”

**Registered Office:**

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

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

**Date: 8th August, 2014**

**Sd/-  
Mahendra Sanghvi  
Chairman & Managing Director**

**NOTES:**

1. The relative explanatory statement, pursuant to Section 102(1) of the Companies Act, 2013 is attached hereto.
2. Relevant details of Directors seeking appointment/re-appointment, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchange are annexed.
3. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as his proxy to attend and on a poll to vote instead of himself and proxy need not be a member of the Company. A blank form of proxy is enclosed and if intended to be used, it should be duly completed and deposited at the registered office of the company not less than 48 hours before the scheduled time of the meeting.**  
**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
4. The Register of Members and Share Transfer Books of the Company will be closed from 16th September, 2014 to 20th September, 2014 (both days inclusive) for the purpose of Annual General Meeting.
5. Members are requested to bring the attendance slips along with their copies of the Annual Report to the meeting.
6. Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
9. Members holding shares in electronic form are requested to intimate any change in their address and / or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address and / or bank mandate to the Company.
10. Shareholders may be aware that the Companies Act, 2013, permits service of the notice of the Annual General Meeting through electronic mode. Electronic copy of the Annual Report including Notice of the 34th Annual General Meeting of the Company along with the attendance slip and Proxy form is being sent to all the members who are registered with the Company / Depository Participant(s) for communication purpose. Members holding shares in physical form who have not registered their e-mail address with the Company can register the same by submitting to the Company duly filled-in 'E-Communication Registration Form' attached at the end of this Notice (also available on our website [www.shaily.com](http://www.shaily.com)).

Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.

11. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
12. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to Secretarial Department of the Company.
13. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of Companies Act, 2013 and Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
14. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 22nd August, 2014 i.e. the date prior to the commencement of book closure date, are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means. The e-voting period will commence at 9.00 a.m. on 14th September, 2014 and will end at 16th September, 2014 on 6.00 p.m. The Company has appointed Mr. S. Samdani, failing him Mr. Suresh Kabra and failing him Ms. Ankita Parmar Practising Company Secretary (ies), to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

15. **PROCEDURE FOR E-VOTING**

Voting through electronic means (E-Voting):

- 1) In accordance with the applicable provisions of Listing Agreement and Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 (the Rules), the Company is pleased to provide facility to its members, to cast their vote electronically for all the resolutions proposed at the 34th Annual General Meeting of the Company. The Company has appointed Central Depository Services (India) Ltd. (CDSL) to provide e-voting facility to its members.
- 2) The voting right of shareholders shall be in proportion to one vote per fully paid equity share of the Company held by them as on the cutoff date 22nd August, 2014. As per the provisions of Articles of Association of the Company a member shall not be entitled to vote whilst any call are due and payable to the company in respect of any share of the shareholder. Therefore shareholders holding partly paid shares who have not paid the Final Call Money shall not be entitled to vote to the extent of the partly paid shares held by them.
- 3) The voting period begins on 14th September, 2014, Sunday at 9:00 a.m. and ends at on 16th September, 2014, Tuesday 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- 4) Mr. S. Samdani and on failing him Mr. Suresh Kabra and on failing him Ms. Ankita Parmar, partner(s) of Samdani Shah & Associates has been appointed by the Board of Directors of the Company, as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

5) The Procedure and Instructions for e-voting are as under:

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

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 Digit alpha-numeric *PAN issued by Income tax Department (Applicable for both demat shareholders as well as physical shareholders)  * Members who have not updated their PAN with the Company / Depository Participants are requested to use the first two letters of their name and the last 8 digit enter the applicable number of O's before the number after the first two characters of the name in CAPITAL letters. E.g. if your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth (DOB) as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or registered with the Company for the Demat Account.

# Please enter any one of the details relating to DOB or Dividend Bank details in order to login. In case both the details are not recorded with the Depository or Company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the relevant EVSN on which you choose to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- o Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
  - o They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - o After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - o The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - o They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- xviii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- 6) The results of e-voting shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be available on the Company's website within two (2) days of passing of the resolution at the AGM of the Company and communicated to the stock exchange.

## **EXPLANATORY STATEMENT**

Pursuant to Section 102(1) of the Companies Act, 2013

### **Item # 5 & 6**

The Board of Directors of the Company ("the Board"), at its Meeting held on 8th August, 2014 has, subject to approval of members, re-appointed Mrs. Tilottama Sanghvi, as Whole-time Director for a period of 3 (Three) years from the expiry of her term, which expired on 31st May, 2014, at the remuneration recommended by the Nomination and Remuneration Committee to the Board and approved by the Board.

Further, the Board at its meeting held on 8th August, 2014 has, subject to the approval of members, re-appointed Mr. Amit Sanghvi, as Whole-time Director for a period of 3 (Three) years from the expiry of his present term, which will expire on 30th September, 2014, at the remuneration recommended by the Nomination and Remuneration Committee to the Board and approved by the Board.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mrs. Tilottama Sanghvi and Mr. Amit Sanghvi, as Whole-time Director, in terms of the applicable provision of the Act.

Broad particulars of the terms of re-appointment of and remuneration payable to Mrs. Tilottama Sanghvi are as under;

- Gross Remuneration - As provided in the resolution.
- Period of appointment- Three years beginning from 1st June, 2014 and ending on 31st May, 2017.
- Mrs. Tilottama Sanghvi shall perform such duties as shall from time to time be entrusted to her by the Board of Directors, subject to superintendence, guidance and control of the Board of Directors.

## Annual Report 2013 - 14

- In the event of absence or inadequacy of profits in any financial year during the tenure of Mrs. Tilottama Sanghvi as Whole-Time Director, the remuneration as specified above shall be paid and allowed to Mrs. Tilottama Sanghvi as minimum remuneration for such financial year."
- Brief Profile of Mrs. Tilottama Sanghvi, in terms of Clause 49 of listing Agreement is as under:
  - Mrs. Tilottama Sanghvi is a science graduate and has overseas working experience.
  - She is the whole time Director of the company and looks after EOU Plant, administrative functions & Stores operations. She had oversee the function of Finishing Division & Rania Plant of the Company very successfully.
  - She was reappointed as Whole time Director for a further period of three years effective from 1st June, 2011, which has come to an end on 31st May, 2014, therefore it is proposed to re-appoint her in this meeting for one term of 3 (Three) consecutive years effective from 1st June, 2014,.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Amit Sanghvi are as under;

- Gross Remuneration - As provided in the resolution.
- Period of appointment- Three years beginning 1st October, 2014 and ending on 30th September, 2017.
- Mr. Amit Sanghvi shall perform such duties as shall from time to time be entrusted to him by the Board of Directors, subject to superintendence, guidance and control of the Board of Directors.
- In the event of absence or inadequacy of profits in any financial year during the tenure of Mr. Amit Sanghvi as Whole-Time Director, the remuneration as specified above shall be paid and allowed to Mr. Amit Sanghvi as minimum remuneration for such financial year.
- Mr. Amit Sanghvi was appointed as a Whole-Time Director for a period of 3 (three) years with effect from 1st October, 2011 till 30th September, 2014, therefore it is proposed to re-appoint him in this meeting for one term of 3 (Three) consecutive years effective from 1st October, 2014.
- Brief Profile of Mr. Amit Sanghvi, in terms of Clause 49 of listing Agreement is as under:
  - Mr. Amit Sanghvi has done his M.Sc in Supply Chain and Manufacturing from Penn State University and Electrical Engineering from University of Ottawa. He has previously worked with the various companies abroad.

Mrs. Tilottama Sanghvi and Mr. Amit Sanghvi satisfy all the conditions set out in Part-1 of Schedule V to the Act also conditions set out under subsection (3) of Section 196 of the Companies Act, 2013 for being eligible for their re- appointment. They are not disqualified from being appointed as Directors in terms of section 164 of the Companies Act, 2013.

In Item No. 5 Mrs. Tilottama Sanghvi and her relatives, Mr. Mahendra Sanghvi and Mr. Amit Sanghvi are interested in this resolution and in Item No. 6 Mr. Amit Sanghvi and his relatives Mr. Mahendra Sanghvi and Mrs. Tilottama Sanghvi are interested in this resolution.

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

The Board commends the Special Resolutions set out at Item No. 5 & 6 of the Notice for approval by the Shareholders.

### Item # 7

Mr. Pushp Raj Singhvi is an Independent Director of the Company and has held the position as such from the year 2012. The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors and amended Clause 49 of Listing agreement which shall come into force with effect from 01.10.2014, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. Accordingly the Independent Director will serve for not more than two terms of five years each on the Board of the Company.

It is proposed to appoint Mr. Pushp Raj Singhvi, as Independent Director under section 149 of the Act and clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to conclusion of the 39th Annual General Meeting of the Company in the Calendar year 2019.



Mr. Pushp Raj Singhvi is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and have given his consent to act as Director.

The Company has received notice in writing from member under section 160 of the Act proposing the candidature. The Company has also received declarations from Mr. Pushp Raj Singhvi that he meet with the criteria of independence as prescribed both under section 149(6) of the Act and under clause 49 of the Listing Agreement.

In opinion of the Board, Mr. Pushp Raj Singhvi fulfills the conditions for appointment as Independent Director as specified in the Companies Act, 2013 and rules made there under and the Clause 49 of the Listing Agreement. Mr. Pushp Raj Singhvi is Independent of the Management.

Copy of the Draft Letter of appointment of Mr. Pushp Raj Singhvi as Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company during business hours on any working day and also available on the website of the company [www.shaily.com](http://www.shaily.com)

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Director for their respective appointment, is concerned or interested, financially or otherwise, in this Resolution.

The Board commends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the Shareholders.

**Item # 8 & 9**

Mr. Sarup Chowdhary and Mr. A. S. Anandkumar, Independent Directors of the Company and have held the position as such for more than 5 (five) years. The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors and Clause 49 of Listing agreement which shall come into force with effect from 01.10.2014. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM. Accordingly the Independent Directors will serve for not more than two terms of 5 (Five) years each on the Board of the Company.

It is proposed to appoint Mr. Sarup Chowdhary and Mr. A.S. Anandkumar, as Independent Directors under section 149 of the Act and clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to conclusion of the 39th Annual General Meeting of the Company in the Calendar year 2019.

Mr. Sarup Chowdhary and Mr. A. S. Anandkumar are not disqualified from being appointed as Director in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members under section 160 of the Act proposing the candidature. The Company has also received declarations from Mr. Sarup Chowdhary and Mr. A.S. Anandkumar that they meet with the criteria of independence as prescribed both under section 149(6) of the Act and under clause 49 of the Listing Agreement. In opinion of the Board, Mr. Sarup Chowdhary and Mr. A. S. Anandkumar fulfill the conditions for appointment as Independent Director as specified in the Companies Act, 2013 and the Clause 49 of the Listing Agreement. Mr. Sarup Chowdhary and Mr. A. S. Anandkumar is Independent of the Management.

Copy of the Draft Letters of appointment of Mr. Sarup Chowdhary and Mr. A. S. Anandkumar as Independent Director setting out the terms and conditions are available for inspection by Members at the Registered Office of the Company during business hours on any working day and also available on the website of the company [www.shaily.com](http://www.shaily.com)

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, is concerned or interested, financially or otherwise, in this Resolution.

The Board commends the Ordinary Resolutions set out at Item No. 8 & 9 of the Notice for approval by the Shareholders.

**Item # 10 & 11**

Your company requires more funds for its expansion and therefore, it is necessary to increase the current limit of Rs.200 crores to Rs. 300 crores for mortgaging the assets of the Company and borrow moneys from the Banks/Financial Institutions. Therefore it is recommended to increase the limits upto Rs. 300 crores and authorize the Company (a) to secure by way of mortgage / hypothecation of the Company's assets in favour of the Banks / Institutions / other lenders towards borrowings of the Company

and (b) to borrow to the extent of Rs. 300 crores which exceeds the paid up capital and free reserves of the Company. Pursuant to section 180 (1) (a) and (c) of the Companies Act, 2013, your directors recommend resolutions at item # 10 & 11 for your approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, is concerned or interested, financially or otherwise, in this Resolution.

The Board commends the Special Resolution set out at Item No. 10 & 11 of the Notice for approval by the Shareholders.

**Item # 12**

Company has paid Rs.13,50,000 to Mr. Samaresh Parida for the period from 1 July, 2013 to 31st March, 2014 fixed remuneration in consideration of professional services rendered by him subject to the approval of the Central Government, which has been declined by the Government vide its letter dated 25th July, 2014. In view of the same, the Board seek your approval to consider waiver of the recovery of said remuneration paid to Mr. Samaresh Parida and an application be made to the Central Government for the waiver of the same.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Samaresh Parida is concerned or interested, financially or otherwise, in this resolution.

The Board commends the Special Resolution set out at Item No. 12 of the Notice for the approval of the Shareholders.

**Item # 13**

Mr. Samaresh Parida was appointed on the Board of Shaily w.e.f. 1st September, 2012. Mr. Samaresh Parida is a Chartered Accountant, Cost Accountant and an MBA from the Indian Institute of Management, Ahmedabad, with solid experience in financial management, budgeting, reporting and profit centre management in blue chip companies like PepsiCo, Vodafone, Accenture and Toyota. He has a proven track record over 25 years in finance, operations and strategy roles largely in FMCG and telecom sector. He has gained vast experience in India and key global markets - specifically USA, Asia, Egypt, Russia, Latin America and Europe. He is a recognized personality for commitment to mentoring people and leading multi-functional teams. He is having a significant M&A experience including deal making, due diligence and acquisition integration.

Mr. Samaresh Parida has been involved with instituting formal system of reviews and monitoring of operations in Shaily which has facilitated the company to plan its operations and has delivered 20% growth during 2013.14.

Considering his valuable contribution for the company, the Board of Directors have in their meeting held on 8th August, 2014, subject to such permissions, sanctions and approvals as may be necessary, resolved to pay him remuneration of Rs. 18,00,000/- (Rupees Eighteen Lakhs Only) per annum plus applicable taxes, payable in equal quarterly installments of Rs. 4,50,000/- (Rs. Four Lakhs Fifty Thousand Only) per quarter, payable at the end of the relevant quarter w.e.f. 1st April, 2014 for a period of 2 years.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Samaresh Parida is concerned or interested, financially or otherwise, in this resolution.

The Board commends the Special Resolution set out at Item No. 13 of the Notice for approval by the Shareholders.

**Item # 14**

The existing Articles of Association (AOA) of the Company are based on the Companies Act, 1956 and several regulations in the existing AOA contain reference to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the Act.

The Act is now largely in force. On 12th September, 2013, the Ministry of Corporate Affairs (MCA) had notified 98 sections for implementation. Subsequently, on 26th March, 2014 MCA notified most of the remaining Sections (except barring those provisions which require sanction / confirmation of the National Company Law Tribunal (Tribunal) such as variation of rights of holders of different classes of shares (section 48), reduction of share capital (section 66), compromises, arrangements and amalgamations (Chapter XV), prevention and oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies stand notified.

## Annual Report 2013 - 14

With the coming into force of the Act several regulations of the existing AOA of the Company require alteration or deletion in several articles. Given this position, it is considered expedient to wholly replace the existing AOA by a new set of Articles.

The new AOA to be substituted in place of the existing AOA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares. Shareholders attention is invited to certain salient provision in the new draft AOA of the Company viz:

- (a) new provision regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized;
- (b) new provision relating to appointment of chief executive officer or managing director or manager in addition to Chief Financial officer, Whole -time Director and company secretary;
- (c) existing articles have been streamlined and aligned with the Act;
- (d) Provisions of the existing AOA which are already part of statute in the Act have not been reproduced in the new draft AOA as they would only lead to duplication - their non- inclusion makes the new AOA crisp, concise and clear and aids ease of reading and understanding.

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

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

The Board commends the Special Resolution set out at Item No. 14 of the Notice for approval by the Shareholders.

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

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

**Date: 8th August, 2014**

**Sd/-**  
**Mahendra Sanghvi**  
**Chairman & Managing Director**

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

Name of Director	Tilottama Sanghvi	Laxman Sanghvi	Amit Sanghvi
Date of Birth	18.10.1948	02.07.1956	26.07.1983
Date of Appointment	09.03.1995	09.03.1995	01.10.2011
Qualification	B.Sc.	A.C.A, L.L.M., M.Com.	M.Sc (Supply Chain and Manufacturing) B.E. (Electrical)
Expertise in specific functional area	Administration	Administration & Finance	Sales, Business Development & IT
Directorship held in other Public companies (excluding foreign and private companies)	--	--	--
Memberships/Chairmanships of committees in other public companies	--	--	--
Shareholding in the Company	798490 Equity Shares	501924 Equity Shares	60,000 Equity Shares

Name of Director	Pushp Raj Singhvi	Sarup Chowdhary	A.S Anandkumar
Date of Birth	01.01.1944	09.03.1945	10.07.1947
Date of Appointment	04.08.2012	27.04.2006	07.12.2002
Qualification	B.Com, L.L.B from Calcutta University.	Chemical Engineering from IIT, Delhi	CAIIB, Master Degree in Mathematics
Expertise in specific functional area	In-depth knowledge in the polymer industry in all functional areas of marketing including field sales, Product Management, Regional Sales, Application Development, Product Development, Distribution and Logistics, Perspective Planning and many more.	High Polymers, Manufacturing, Project Management, Sales and Marketing, General & Strategic Management	An ex-banker with 37 years experience in Banking, Financial advisory and related activities.
Directorship held in other Public companies (excluding foreign and private companies)	- Windsor Machines Ltd. - Plasti Blends India Ltd.	--	- Sujana Towers Ltd.
Memberships/ Chairmanships of committees in other public companies	Windsor Machines Ltd. 1. Audit Committee 2. Remuneration Committee Plasti Blends India Ltd. 1. Audit Committee	--	- Sujana Towers Ltd.-Audit Committee
Shareholding in the Company	Nil Equity Shares	Nil Equity Shares	Nil Equity Shares

**STATEMENT AS PER SCHEDULE V OF THE COMPANIES ACT, 2013**
**I. General Information**

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

Particulars	Current Year (2013-14)	Previous Year (2012-13)
Gross Total Income	15,055.93	12,507.38
<b>Profit before depreciation and tax</b>	<b>1,619.94</b>	<b>1,067.55</b>
Less: Depreciation	595.85	561.58
Less: Provision for taxation*	35.47	1.80
Less / (Add) : Deferred tax liability / (asset)	10.66	142.02
<b>Profit after tax</b>	<b>658.55</b>	<b>362.15</b>

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

5. **Export performance and net foreign exchange collaborations** - The total earnings from exports for the year ended on 31st March 2014 were Rs.10387.90 lacs.

The total foreign exchange earnings for the year ended on 31st March, 2014 was Rs.10387.90 lacs and the total foreign exchange expenditure for the year ended on 31st March, 2014 was Rs.245.58 lacs.

**Foreign investments or collaborators, if any** – Not Applicable

6. **Foreign investments or collaborators, if any** - There are no foreign investments / collaborations.

## II. Information about the Appointee

### A) Mrs. Tilottama Sanghvi

- Background details** - Mrs. Tilottama Sanghvi, aged about 66 years, is a Science Graduate She is the whole time Director of the company and looks after EOU Plant, administrative functions & Stores operations.
- Past remuneration** - The total remuneration paid to Mrs. Tilottama Sanghvi for the year ended on 31st March 2014 is Rs.29,99,520/-.
- Recognition or awards** - The Company has bagged Exporter of the year award for the years 2005.06, 2007.08, 2008.09 2011.12 and 2012.13 due to the efforts of Mrs. Tilottama Sanghvi.
- Job profile and her suitability** - As stated above, Mrs. Tilottama Sanghvi is a Science Graduate and has practical experience of working in the Plastic Industry especially in this Company. She had overseen the function of Finishing Division of the Company.
- Remuneration proposed** - The details of remuneration proposed to be paid to Mrs. Tilottama Sanghvi are contained in Resolution No. 5 of the Notice of the 34th Annual General Meeting.
- Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of her origin)** – In comparison with the industry norms in other organization in same industry and considering her vast experience the proposed remuneration is justified as compared to Industry in India as well as abroad.
- Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any** - Mrs. Tilottama Sanghvi is holding 798490 equity shares of the company. Apart from this, she does not have any other pecuniary transactions with the Company except by way of her contract of employment with the Company. She is relative of Mr. Mahendra Sanghvi and Mr. Amit Sanghvi, Directors of the Company.

### B) Mr. Amit Sanghvi

- Background details** - Mr. Amit Sanghvi, aged 31 years, has done his M.Sc in Supply Chain and Manufacturing from Penn State University and Electrical Engineering from University of Ottawa. He has previously worked with Arete Inc. (USA) as a Business process consultant for Pepsi and Coke and has made a remarkable contribution thereat. Before being appointed as Whole-time Director, Mr. Amit Sanghvi was holding the position of Additional Director and General Manager - Projects in the company.
- Past remuneration** - The total remuneration paid to Mr. Amit Sanghvi for the year ended on 31st March 2014 is Rs. 47,99,748/-.
- Recognition or awards** - The Company has bagged Exporter of the year award for the years 2009.10, 2010.11, 2011.12 and 2012.13 with the professional contribution of Mr. Amit Sanghvi.
- Job profile and his suitability** - As stated above, Mr. Amit Sanghvi has got the necessary qualification for the position and has gained the necessary practical experience of working in the field at such a young age.
- Remuneration proposed** - The details of remuneration proposed to be paid to Mr. Amit Sanghvi are contained in Resolution No.6 of the Notice of the 34th Annual General Meeting.

6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)** - In comparison with the industry norms in other organization in same industry and considering his vast experience the proposed remuneration is justified as compared to Industry in India as well as abroad.
7. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any** - Mr. Amit Sanghvi is holding 60,000 equity shares of the company. Apart from this, he does not have any other pecuniary transactions with the Company except by way of his employment with the Company. He is relative of Mr. Mahendra Sanghvi and Mrs. Tilottama Sanghvi Directors of the Company.

### III. Other Information

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

### IV. Disclosures

1. The details of remuneration proposed to be paid to the Whole-time Directors are mentioned in the notice for the 34th Annual General Meeting.
2. All the relevant information pertaining to the Managing Director, Executive Director, Whole-time Director and other Directors required to be disclosed in the Directors' Report under the heading "Corporate Governance", are mentioned in the Annual Report.

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# SHAILY ENGINEERING PLASTICS LIMITED

CIN: L51900GJ1980PLC065554

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

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



## ATTENDANCE SLIP

34th Annual General Meeting on 20th September, 2014

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

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

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

I certify that I am a member/proxy for a member of the Company. I hereby record my presence at 34th Annual General Meeting of the Company to be held on Saturday, 20th September, 2014 at Registered Office: Survey # 364/366, At & Po. Rania - 391780, Taluka Savli, Dist. Vadodara

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

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

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

\* Applicable for Investors holding shares in electronic form.

\*\* Strike out whichever is not applicable

## SHAILY ENGINEERING PLASTICS LIMITED

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



## E-COMMUNICATION REGISTRATION FORM

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

Name of 1st Registered Holder : \_\_\_\_\_

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

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

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

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

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

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

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



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# SHAILY ENGINEERING PLASTICS LIMITED

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



## PROXY FORM

34th Annual General Meeting- 20th September, 2014

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

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

1. Name:

Address:

E-mail Id:

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

2. Name:

Address:

E-mail Id:

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

3. Name:

Address:

E-mail Id:

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual general meeting of the company, to be held on the 20th September, 2014, Saturday at 2.00 p.m at the Registered Office of the Company at Survey No. 364/366, At & Po. Rania - 391780, Taluka -Savli, Dist. Vadodara, and at any adjournment thereof in respect of such resolutions as are indicated below:

- To receive, consider and adopt the financial statements of the Company for the year ended March 31, 2014, including the audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and on that date and the Reports of the Board of Directors and Auditors thereon.
- Re-appointment of Ms. Tilottama Sanghvi, who retires by rotation and, being eligible, offers herself for re-appointment.
- Re-appointment of Mr. Laxman Sanghvi, who retires by rotation and, being eligible, offers himself for re-appointment.
- Appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants as statutory Auditor for the F.Y.2014-15.
- Re-appoint Mrs. Tilottama Sanghvi as Whole time Director for a period of 3(Three) years effective from 1st June, 2014.
- Re-appoint Mr. Amit Sanghvi as Whole time Director for a period of 3(Three) years effective from 1st October, 2014.
- Appointment of Mr. Pushp Raj Singhvi as Independent Director of the Company for a term upto 39th Annual General Meeting of the Company in calendar year 2019.
- Appointment of Mr. Sarup Chowdhary as Independent Director of the Company for a term upto 39th Annual General Meeting of the Company in calendar year 2019.
- Appointment of Mr. A.S.Anandkumar as Independent Director of the Company for a term upto 39th Annual General Meeting of the Company in calendar year 2019.
- Approval for Section 180(1) (a) of the Companies Act, 2013 for creation of Charges/mortgage/hypothecation.
- Approval for Section 180(1) (c) of the Companies Act, 2013 for borrowing limits of the Company.
- Waiver of recovery of remuneration to be paid to Mr.Samaresh Parida for 1st July, 2013 to 31st March, 2014.
- Professional fees to be paid to Mr. Samaresh Parida.
- Adoption of New draft of Articles of Association of the Company.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

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

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

Affix  
Revenue  
Stamp  
of Rs. 1

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# SHAILY ENGINEERING PLASTICS LIMITED

CIN: L51900GJ1980PLC065554

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

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



## BALLOT FORM

(Pursuant to Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014

**34th Annual General Meeting on 20th September, 2014 at 2.00 p.m. at Survey No. 364/366,  
At & Po. Rania, Ta. Savli, Dist. Vadodara - 391780.**

1. Name of the First Named Shareholder (In block letters)	:	
2. Folio No.	:	
3. Registered folio No. /*Client ID No. (*Applicable to investors holding shares in dematerialised form)	:	
4. No. of Shares held	:	

I /We hereby exercise my vote(s) in respect of the resolutions set forth in the Notice convening the 34th Annual General Meeting of the Company to be held on Saturday, 20th September, 2014 at 2.00 p.m. sending my/our assent or dissent to the said resolutions by placing the tick [✓] mark at the appropriate box below:

Please tick [✓] your preference in the box below the resolution:

Item No.	Resolution	For	Against
1	To receive, consider and adopt the financial statements of the Company for the year ended March 31, 2014, including the audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and on that date and the Reports of the Board of Directors and Auditors thereon.		
2	Re-appointment of Ms. Tilottama Sanghvi, who retires by rotation and, being eligible, offers herself for re-appointment.		
3	Re-appointment of Mr. Laxman Sanghvi, who retires by rotation and, being eligible, offers himself for re-appointment.		
4	Appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants as statutory Auditor.		
5	Re-appoint Ms. Tilottama Sanghvi as Whole time Director for a period of 3(Three) years effective from 1st June, 2014.		
6	Re-appoint Mr. Amit Sanghvi as Whole time Director for a period of 3(Three) years effective from 1st October, 2014.		
7	Appointment of Mr. Pushp Raj Singhvi as Independent Director of the Company for a term upto 39th Annual General Meeting of the Company in calendar year 2019.		
8	Appointment of Mr. Sarup Chowdhary as Independent Director of the Company for a term upto 39th Annual General Meeting of the Company in calendar year 2019.		
9	Appointment of Mr. A.S. Anandkumar as Independent Director of the Company for a term upto 39th Annual General Meeting of the Company in calendar year 2019.		
10	Approval for Section 180(1) (a) of the Companies Act, 2013 for creation of Charges / mortgage / hypothecation.		
11	Approval for Section 180(1) (c) of the Companies Act, 2013 for borrowing limits of the Company.		
12	Waiver of recovery of remuneration paid to Mr. Samaresh Parida for 1st July, 2013 to 31st March, 2014.		
13	Professional fees to be paid to Mr. Samaresh Parida.		
14	Adoption of New draft of Articles of Association of the Company.		

Place:

Date:

Signature of Shareholder

## INSTRUCTIONS

1. This Ballot Form is provided for the benefit of Members who do not have access to e-voting facility.
  2. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
  3. Mr. S. Samdani and on failing him Mr. Suresh Kabra and on failing him Ms. Ankita Parmar, partner(s) of Samdani Shah & Associates has been appointed as the Scrutinizer to scrutinize the e-voting and postal ballot process in a fair and transparent manner.
  4. Please complete and sign the Ballot Form (no other form or photo copy thereof is permitted) and send it so as to reach the Scrutinizer at the Registered Office of the Company.
  5. The Form should be signed by the Member as per the specimen signature registered with the Company/ Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. Exercise of vote by Ballot is not permitted through proxy.
  6. For the Institutional shareholders (Members other than Individuals, HUF, NRIs, etc.) are also required to send board resolution/authority letter etc. together with the attested specimen signature(s) of the duly authorized signatory (ies) who are authorised to vote, to the Scrutinizer along with the Ballot Form.
  7. Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the column provided in the Ballot.
  8. The voting rights of the Members shall be in proportion to their shares held by them in the paid up equity share capital of the Company as on the cut off date i.e. 22nd August, 2014.
  9. Duly completed Ballot Form should reach the Scrutinizer not later than Tuesday, 16th September, 2014 (6.00 p.m. IST). Ballot Form received after 16th September, 2014 will be strictly treated as if the reply from the Members has not been received.
  10. A Member may request for a duplicate Ballot Form, if so required. However, duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date and time specified in serial no. 9 above.
  11. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
  12. The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.
  13. The Scrutinizer will collate the votes downloaded from the e-voting system and votes received through post to declare the final result for each of the Resolutions forming part of the Notice of the AGM.
  14. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period and from the last date of receipt of Ballot Forms i.e. 16th September, 2014 (6.00 p.m. IST), unblock the votes in the presence of at least two witnesses not in employment of the Company and forward his report of the votes cast in favour or against, to the Chairman or to any Director or Officer who may be authorized by the Chairman for this purpose.
  15. The Results shall be declared on or after the Annual General Meeting (AGM). The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.shaily.com](http://www.shaily.com) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Bombay Stock Exchange Limited, on which shares of the Company are listed.
-





If undelivered please return to :

## **Shaily Engineering Plastics Limited**

**Correspondence Address :**

8, J. P. Nagar, Opp. Avishkar Complex,  
Old Padra Road, Vadodara - 390 015.

Ph. : 0265-2332706, Fax : 0265-2332723

E-mail : [investors@shaily.com](mailto:investors@shaily.com) : Website : [www.shaily.com](http://www.shaily.com)

**CIN: L51900GJ1980PLC065554**