

## 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

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 0'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.



- 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.

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

1. **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.
2. **Past remuneration** - The total remuneration paid to Mrs. Tilottama Sanghvi for the year ended on 31st March 2014 is Rs.29,99,520/-.
3. **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.
4. **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.
5. **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.
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 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.
7. **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

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