

NOTICE

Notice is hereby given that the THIRTY SECOND ANNUAL GENERAL MEETING of the Members of Shaily Engineering Plastics Limited will be held on Saturday, 4th August, 2012 at 11.00 a.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 Balance Sheet as at 31st March 2012, Profit and Loss Account along with notes appended thereto, for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. A.S.Anandkumar, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Laxman Sanghvi, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mrs. Tilottama Sanghvi, who retires by rotation and, being eligible, offers herself for re-appointment.
5. To consider and, if thought fit to pass, with or without modification, 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 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

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

“RESOLVED THAT Mr. Amit Sanghvi who was appointed as an Additional Director of the company w.e.f. 1st October 2011 by the Board of Directors at their meeting held on 6th August 2011, and who holds office upto ensuing Annual General Meeting, pursuant to section 260 of the Companies Act, 1956 and Article 85 of the Articles of Association of the company and in respect of whom the Company has received notice in writing under section 257 of the Companies Act, 1956, from a member, proposing his candidature, be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation.”

7. 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 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. Amit Sanghvi be and is hereby appointed as Whole-Time Director of the Company with effect from 1st October, 2011 for a period of 3 (three) years subject to such approvals, permissions and sanctions, as may be required, and he shall be a director liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Amit Sanghvi be paid such remuneration, perquisites etc. as under:

Gross Remuneration

Rs. 1,50,000/- per month from 01st October 2011 to 31st March 2012.
Rs. 2,00,000/- per month from 01st April 2012 to 30th September 2014.

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, 1956 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 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, contribution towards superannuation scheme @ 12% of basic salary 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 @12% of basic salary, which would be within the monthly gross remuneration.

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 Mr. Mahendra Sanghvi, Managing Director, Mr. Laxman Sanghvi, Executive Director, Mrs. Tilottama Sanghvi, Whole-Time Director and Ms. Kruti Parekh, Asst. Company Secretary be and are hereby severally authorized to carry out all the acts, deeds and things necessary to give effect to the resolution."

Registered Office:
Survey No. 364/366,
At & Po. Rania - 391 780,
Taluka Savli, Dist. Vadodara

Date: 26th May, 2012

By order of the Board

Sd/-
Mahendra Sanghvi
Managing Director

NOTES:

1. The relative explanatory statement, pursuant to Section 173(2) of the Companies Act, 1956 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 meeting is entitled to appoint another person as his proxy to attend and on a poll to vote instead of himself. The proxy need not be a member of the company. A blank form of proxy is enclosed and if intended to be used, it should be duly completed and deposited at the registered office of the company not less than 48 hours before the scheduled time of the meeting.**
4. The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, 1st August, 2012 to Saturday, 4th August, 2012 (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. Members are requested to notify change in their address to the Company.
7. Ministry of Corporate Affairs has taken a “Green initiative in the Corporate Governance” by allowing paperless compliances by the companies through email. In view of the same Members are requested to notify their email id at investors@shaily.com or secretarial@shaily.com to enable your Company to send soft copy of the audited accounts etc. to you.

EXPLANATORY STATEMENT

Pursuant to Section 173 (2) of the Companies Act, 1956

Item # 6 & 7

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 Arete Inc. (USA) as a Business process consultant for Pepsi and Coke and has made a remarkable contribution thereat. Before being appointed as an Additional Director, Mr. Amit Sanghvi was holding the position of General Manager – Projects in the company.

The Board of Directors had in their meeting held on 06.08.2011 appointed Mr. Amit Sanghvi as Additional Director. In their meeting held on 13.11.2011, the Board appointed Mr. Amit Sanghvi as Whole-Time Director for a period of 3 (three) years with effect from 1st October, 2011 at a remuneration of Rs. 1,50,000 per month, subject to approval of Shareholders. Now, in their meeting held on 26.05.2012, the Board has revised his remuneration to Rs. 2,00,000 per month, subject to approval of the shareholders.

None of the Directors except Mr. Mahendra Sanghvi, Mrs. Tilottama Sanghvi and Mr. Amit Sanghvi are interested parties for the purpose of passing of the above resolution.

Therefore, the resolution is proposed for your approval.

Registered Office:
Survey No. 364/366,
At & Po. Rania - 391 780,
Taluka Savli, Dist. Vadodara

Date: 26th May, 2012

By order of the Board

Sd/-
Mahendra Sanghvi
Managing Director

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

Name of Director	A.S. Anandkumar	Laxman Sanghvi
Date of Birth	10.07.1947	02.07.1956
Date of Appointment	07.12.2002	09.03.1995
Qualification	CAIIB, Master Degree in Mathematics	M.Com, L.L.M., ACA
Expertise in specific functional area	An ex-banker with 37 years experience in Banking, Financial advisory and related activities.	Administration & Finance
Directorship held in other Public companies (excluding foreign and private companies)	- Sujana Capital Service Ltd. - Sujana Towers Ltd.	-
Memberships/ Chairmanships of committees in public companies	Sujana Towers Ltd. – Audit Committee	-
Shareholding in the Company	Nil Equity Shares	4,88,924 Equity Shares

Name of Director	Tilottama Sanghvi	Amit Sanghvi
Date of Birth	18.10.1948	26.07.1983
Date of Appointment	09.03.1995	01.10.2011
Qualification	B.Sc.	M.Sc (Supply Chain and Manufacturing) B.E. (Electrical)
Expertise in specific functional area	Administration	Sales, Business Development & IT
Directorship held in other Public companies (excluding foreign and private companies)	-	-
Memberships/ Chairmanships of committees in public companies	-	-
Shareholding in the Company	7,98,490 Equity Shares	60,000 Equity Shares

STATEMENT AS PER SCHEDULE XIII OF THE COMPANIES ACT, 1956

I. General Information

- Nature of Industry** – The Company is engaged in manufacture and sale of High Precision Injection Molded 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.

4. **Financial performance based on given indicators –**

(Rs. In lacs)

	Current Year (2011-12)	Previous Year (2010-11)
Gross Total Income	14,719.52	12,936.95
Profit before depreciation and tax	1,345.70	837.81
Less: Depreciation	518.51	469.36
Less: Provision for taxation*	24.97	-
Less / (Add) : Deferred tax liability / asset	165.55	(13.26)
Profit after tax	636.67	381.71

* Including short provision for previous year.

5. **Export performance and net foreign exchange collaborations –** The total earnings from exports for the year ended on 31st March 2012 were Rs. 12,371.24 lacs.

The total foreign exchange earnings for the year ended on 31st March, 2012 was Rs. 12,371.24 lacs and the total foreign exchange expenditure for the year ended on 31st March, 2012 was Rs. 3,272.42 lacs.

6. **Foreign investments or collaborators, if any – There are no foreign investments / collaborations.**II. **Information about the Appointee****Mr. Amit Sanghvi**

- Background details** - Mr. Amit Sanghvi, aged 28 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 Additional Director, Mr. Amit Sanghvi was holding the position of General Manager – Projects in the company.
- Past remuneration** – As the General Manager – Projects, the remuneration of Mr. Amit Sanghvi was Rs. 50,000/- per month upto 30.09.2011, as approved under Section 314 of the Companies Act, 1956 by the Ministry of Corporate Affairs.
- Recognition or awards** – The Company has bagged Exporter of the year award for the years 2009-10 & 2010-11 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 the explanatory statement to Resolution No. 7 of the Notice of the 32nd 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. **Step 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 'Abstract' containing details of remuneration proposed to be paid to the Whole-time Director are being circulated among the Shareholders of the Company and is contained in the Notice convening the 32nd Annual General Meeting.
2. All the relevant information pertaining to the Whole-time Director and other Directors required to be disclosed in the Directors' Report under the heading "Corporate Governance", are attached to the Annual Report.