



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eleventh Annual General Meeting of the Members of Sun Pharmaceutical Industries Limited will be held at Marigold, Hotel Taj Residency, Akota Gardens, Vadodara – 390 020 on Tuesday, 30th day of September, 2003, at 10.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31st March, 2003, the Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Preference Shares and on Equity Shares*.
3. To appoint a Director in place of Mr. Dilip S. Shanghvi, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Hasmukh S. Shah, who retires by rotation and being eligible, offers himself for reappointment.
5. To re-appoint Messrs. Price Waterhouse., Chartered Accountants, Mumbai as the Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT Mr. Keki M. Mistry, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the Articles of Association of the Company.”

7. To consider and, if thought fit, to pass, with or without modification(s) the following Resolutions as Special Resolutions:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 and subject to such sanction(s) as may be necessary in law, Mr. Sudhir V. Valia be and is hereby re-appointed as the Whole-time Director of the Company for a further period of Five years effective from 1st April, 2004 to 31st March 2009, on the terms and conditions (including the remuneration to be paid to him in the event of loss or inadequacy of profits in any financial year during the aforesaid period) set out in the draft Agreement submitted for approval to this meeting and for identification initialed by the Chairman which Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and/or Agreement, in such manner as may be agreed to between the Board of Directors and Mr. Sudhir V. Valia within and in accordance with the limit prescribed in Schedule XIII of the Companies Act, 1956 or any amendment thereto and, if necessary, as may be agreed to between the Central Government and the Board of Directors as may be acceptable to Mr. Sudhir V. Valia.

RESOLVED FURTHER THAT in the event of any statutory amendments, modifications or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is

hereby authorised to vary or increase the remuneration (including the minimum remuneration), that is, the salary, commission, perquisites, allowances, etc. within such prescribed limit or ceiling and the aforesaid draft agreement between the Company and the Appointee be suitably amended to give effect to such modification, relaxation or variation, subject to such approvals as may be required by law.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps expedient or desirable to give effect to this Resolution”.

8. To consider and, if thought fit, to pass, with or without modification(s) the following Resolutions as Special Resolutions:

“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 and subject to such sanction(s) as may be necessary in law, Mr. Sailesh T. Desai be and is hereby re-appointed as the Whole-time Director of the Company for a further period of Five years effective from 1st April, 2004 to 31st March 2009, on the terms and conditions (including the remuneration to be paid to him in the event of loss or inadequacy of profits in any financial year during the aforesaid period) set out in the draft Agreement submitted for approval to this meeting and for identification initialed by the Chairman which Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and/or Agreement, in such manner as may be agreed to between the Board of Directors and Mr. Sailesh T. Desai within and in accordance with the limit prescribed in Schedule XIII of the Companies Act, 1956 or any amendment thereto and, if necessary, as may be agreed to between the Central Government and the Board of Directors as may be acceptable to Mr. Sailesh T. Desai.

RESOLVED FURTHER THAT in the event of any statutory amendments, modifications or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration (including the minimum remuneration), that is, the salary, commission, perquisites, allowances, etc. within such prescribed limit or ceiling and the aforesaid draft agreement between the Company and the Appointee be suitably amended to give effect to such modification, relaxation or variation, subject to such approvals as may be required by law.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps expedient or desirable to give effect to this Resolution”.

9. To consider and, if thought fit, to pass, with or without modification(s), the following Resolutions as Special Resolutions:

" **RESOLVED THAT** subject to the provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactments thereof for the time being in force), Securities Contracts (Regulation) Act, 1956, and the Rules framed thereunder, Listing agreements, and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by a Resolution), the consent of the Company be and is hereby accorded to the Board to delist the Equity and Preference shares of the Company from Vadodara Stock Exchange, the Regional Stock Exchange of the Company.

RESOLVED FURTHER THAT any of the Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to these Resolutions and for matters connected therewith or incidental thereto.”

10. To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 293 (1) (e) of the Companies Act, 1956 and other applicable provisions, if any, the consent of the Company be and is hereby accorded to the Board of Directors for contributing and/or subscribing from time to time in any financial year to any national, charitable, social, benevolent, public or general and other funds/institutions/hospitals/trustees/entities not directly relating to the business of the Company or the welfare of its employees up to an aggregate maximum amount permissible under section 293(1) (e) of the Companies Act, 1956 without the approval of the Shareholders as increased by an additional amount equivalent to the amount of dividend in respect of which the right to receive the dividend has been waived/forgone by any shareholder(s) for any financial year(s), to the extent such equivalent amount has not been considered for the purpose of calculating the maximum amount permissible which is utilised/contributed/ subscribed pursuant to this Resolution for any financial year, as may be considered proper by the Board of Directors notwithstanding that such amount in any financial year may exceed Rs.50,000/- or five per cent of the average net profits of the Company, as determined in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956, during the three financial years immediately preceding, whichever is greater."

By order of the Board of Directors

Kamlesh H.Shah
Company Secretary

Place : Mumbai

Date : 1st September, 2003

Registered Office:

SPARC Akota Road,
Akota, Vadodara – 390 020.

*The actual equity dividend to be declared by the Shareholders at the 11th Annual General Meeting will be for only equity shares other than equity shares in respect of which the equity Shareholder(s) has/have waived/forgone his/their right to receive the Dividend for the financial year ended 31st March, 2003 in accordance with the Rules framed by the Board as per the note No.4 hereinafter appearing.

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

The Proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time appointed for holding the meeting.

2. **Listing of Equity Shares :**

The shares of the Company continue to be listed at the Stock Exchanges at Vadodara, Mumbai, Kolkata and the National Stock Exchange. The Company had made the application for delisting of its Equity Shares from the Stock Exchange Ahmedabad, Delhi, Kolkata and Chennai. The Company has received the approval for delisting of its Equity Shares from the Stock Exchanges at Ahmedabad, Delhi, and Chennai except Kolkata Stock Exchange. The Stock Exchange listing fee payable has been paid to each of the three Exchanges within the stipulated time.

3. The Register of Members and Share Transfer Books of the Company will be closed from 26th September, 2003 to 30th September, 2003 (both days inclusive).

The Dividend on Equity and Preference shares of the Company as declared by the Company will be paid on or after 3rd October, 2003, to the Company's Equity and Preference shareholders whose names stand registered on the Company's Register of Members as Beneficial Owners as at opening of business as on 26th September, 2003 as per the list provided by National Securities Depository Limited and Central Depositories Services Limited in respect of the shares held in electronic form and as Members in the register of Members of the Company after giving effect to valid transfers in physical form lodged with the Company before 26th September, 2003.

4. At the Extra Ordinary General Meeting of the members of the Company held on Monday, 1st September, 2003, the Members have approved, by way of Special Resolution, certain amendments to the Articles of Association of the Company relating to enabling the Company to implement any instruction from a Member (s) of the Company to waive/forgo his/their right to receive the dividend (interim or final) from the Company for any financial year. Thus the Members of the Company can now waive/forgo, if he/they so desire(s), his/their right to receive the dividend (interim or final) for any financial year effective from the dividend recommended by the Board of Directors of the Company for the year ended 31st March, 2003 on a year to year basis, as per the rules framed by the Board of Directors of the Company from time to time for this purpose. The Shareholder, if so wishes to waive /forgo the right to receive Dividend for the year ended 31st March, 2003 shall fill up the form and send it to the Company's Registrars on or before 26th September, 2003. The form prescribed by the Board of Directors of the Company for waiving/forgoing the right to receive Dividend for any year shall be available by downloading from the Company's website (www.sunpharma.com under the section "Investor Relations") or can also be obtained from the Company's Registrars and Transfer Agents, Intime Spectrum Registry Limited.

THE BOARD OF DIRECTORS OF THE COMPANY AT ITS MEETING HELD ON 1ST SEPTEMBER, 2003 HAVE FRAMED THE FOLLOWING RULES UNDER ARTICLE 190 A OF THE ARTICLES OF ASSOCIATION OF THE COMPANY FOR EQUITY SHAREHOLDERS WHO WANT TO WAIVE/FORGO THE RIGHT TO RECEIVE DIVIDEND IN RESPECT OF FINANCIAL YEAR 2002-2003 OR FOR ANY YEAR THEREAFTER.

- I A Shareholder can waive/forgo the right to receive the dividend (either final and/or interim) to which he is entitled, on some or all the Equity Shares held by him in the Company as on the Record Date/Book Closure Date fixed for determining the names of Members entitled for such dividend. However, the shareholders cannot waive/forgo the right to receive the dividend (either final and/or interim) for a part of percentage of dividend on share(s).
- II The Equity Shareholder(s) who wish to waive/forgo the right to receive the dividend for any year shall inform the Company in the form prescribed by the Board of Directors of the Company only.
- III In case of joint holders holding the Equity Shares of the Company, all the joint holders are required to intimate to the Company in the prescribed form their decision of waiving/forgoing their right to receive the dividend from the Company.
- IV The Shareholder, who wishes to waive/forgo the right to receive the dividend for any year shall send his irrevocable instruction waiving/forgoing dividend so as to reach the Company before the Record Date /Book Closure Date fixed for the payment of such dividend. Under no circumstances, any instruction received for waiver/forgoing of the right to receive the dividend for any year after the Record Date /Book Closure Date fixed for the payment of such dividend for that year shall be given effect to.
- V The instruction once given by a Shareholder intimating his waiver/forgoing of the right to receive the dividend for any year for interim, final or both shall be irrevocable and can not be withdrawn for that particular year for such waived/forgone the right to receive the dividend. But in case, the relevant Shares are sold by the same Shareholder before the Record Date/Book Closure Date fixed for the payment of such dividend, the instruction once exercised by such earlier Shareholder intimating his waiver/forgoing the right to receive dividend will be invalid for the next succeeding Shareholder(s) unless such next succeeding Shareholder(s) intimates separately in the prescribed form, about his waiving/forgoing of the right to receive the dividend for the particular year.

- VI The Equity Shareholder who wish to waive/forgo their right to receive the dividend for any year can inform the Company in the prescribed form only after the beginning of the relevant financial year for which the right to receive the dividend is being waived/forgone by him.
- VII The instruction by a Shareholder to the Company for waiving/ forgoing the right to receive dividend for any year is purely voluntary on the part of the Shareholder. There is a no interference with a Shareholder's Right to receive the dividend, if he does not wish to waive/forgo his right to receive the dividend. No action is required on the part of Shareholder who wishes to receive dividends as usual. Such Shareholder will automatically receive dividend as and when declared.
- VIII The decision of the Board of Directors of the Company or such person(s) as may be authorised by Board of Directors of the Company shall be final and binding on the concerned Shareholders on issues arising out of the interpretation and/or implementation of these Rules.
- IX These Rules can be amended by the Board of Directors of the Company from time to time as may be required.

5. Electronic Clearing Service (ECS) Facility with respect to payment of dividend:- The Company provides the facility of ECS to all shareholders, holding shares in electronic and physical forms, having their Banks at the following centres:

Ahmedabad, Bangalore, Bhubaneshwar, Chandigarh, Chennai ,Coimbatore, Delhi, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Ludhiana, Mumbai, Nagpur, Pune, Thiruvananthapuram & Vadodara.

Shareholders holding shares in the physical form & who wish to avail ECS facility, may authorise the Company with their ECS mandate in the prescribed form which can be downloaded from the Company's website (www.sunpharma.com under the section "Investor Relations") or can also be obtained from the Company's Registrars and Transfer Agents, Intime Spectrum Registry Limited and the ECS mandate, if not submitted earlier, shall be submitted to the Registrar and Transfer Agents, Intime Spectrum Registry Limited before 26th September,2003 so as to receive the dividend for the year ended 31st March,2003 through ECS.

6. Unclaimed Dividends declared upto the financial year ended on 31st March, 1995 of the Company and of the erstwhile Tamilnadu Dadha Pharmaceuticals Limited (TDPL) which has been merged with the Company with effect from 1st April, 1997 have been transferred to the General Revenue Account of the Central Government and the same can be claimed by such Members from the Registrar of Companies, Gujarat, CGO Complex, Opp. Rupal Park, Naranpura, Ahmedabad – 380 013, Gujarat.

Consequent upon amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205C, by the Companies (Amendment) Act, 1999, now the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund (IEP Fund). The Company will be transferring the unclaimed dividends during the financial years ended 31st March 2004 & 2005 as given below.

Financial Year ended	Date of Declaration of Dividend	Rate of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEP Fund
1995-96	10.08.1996	25%	09.08.2003	08.09.2003
1995-96(TDPL)	19.09.1996	18%	18.09.2003	18.10.2003
1996-97	16.07.1997	35%	15.07.2004	14.08.2004
1996-97(TDPL)	22.07.1997	18%	21.07.2004	20.08.2004

Members who have not encashed their dividend warrants, for the financial year ended 31st March, 1996 and onwards may approach the Company's Registrar & Transfer Agents, M/s. Intime Spectrum Registry Ltd, C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai-400 078 for revalidating the warrants or for obtaining duplicate warrants. It may also be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as above, no claim can be made by the respective shareholders for the

same.

7. The Members of erstwhile Tamilnadu Dadha Pharmaceuticals Limited and erstwhile Gujarat Lyka Organics Limited who have yet not sent their share certificates of erstwhile Tamilnadu Dadha Pharmaceuticals Limited and Gujarat Lyka Organics Limited respectively for exchange with the share certificates of Sun Pharmaceutical Industries Limited are requested to do so at the earliest, since share certificates of the erstwhile Tamilnadu Dadha Pharmaceuticals Limited and Gujarat Lyka Organics Limited held by them are no longer tradable.
8. The Members may be aware that the Equity Shares of the Company have been subdivided from equity share of Rs.10/- each to 2 equity shares of Rs.5/- each in terms of the Resolutions passed by the Shareholders of the Company at the Extra Ordinary General Meeting of the Company held on 20th December, 2002. The Members who have yet not sent their share certificates of Rs. 10/- each of the Company for exchange with new equity shares of Rs.5/- each shall send the same to the Company's Registrar & Transfer Agents, M/s. Intime Spectrum Registry Ltd since the old share certificates of Rs.10/- each are no longer tradable.
9. Please note that as per the Notification of SEBI, Sun Pharmaceutical Industries Limited's shares are under compulsory Demat trading with effect from 29th November, 1999 for all the investors. You may, therefore, demat your equity share holdings if not already demated, to avoid any inconvenience.
10. Members/proxies should bring the attendance slip duly filled in for attending the Meeting.

Explanatory Statement under Section 173(2) of the Companies Act, 1956

The Explanatory Statement for item No.6 to 10 of the accompanying Notice set out hereinabove is as under:

Item No. 6 :

Mr. Keki M. Mistry, was appointed as an additional Director of the Company w.e.f. 28.08.2002 and holds the office upto the date of this Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956 and Articles of Association of the Company.

Notice under Section 257 of the said Act has been received from a member along with the deposit of Rs.500/- signifying his intention to propose the name of Mr. Keki M. Mistry, for appointment as a Director of the Company. Mr. Keki M. Mistry, has already filed his consent, to act as a Director, with the Company.

Mr. Mistry is associated with Housing Development Finance Corporation Limited (HDFC) since October 1981 and has held various responsible positions. At present, Mr. Mistry is the Managing Director of HDFC.

Mr. Mistry is a Fellow Member of the Institute of Chartered Accountants of India and a Member of the Michigan Association of Certified Public Accountants, USA.

He has rich experience in Finance and worked as a consultant to the Commonwealth Development Corporation in Bangkok, Thailand, Mauritius, Caribbean Islands & Jamaica as also to Asian Development Bank.

Presently, he is the Chairman of Gruh Finance Ltd., & is on the Board of Directors of HDFC Ltd., HDFC Bank Ltd, HDFC Developers Ltd., HDFC Trustee Company Ltd., HDFC Standard Life Insurance Co. Ltd., HDFC Chubb General Insurance Company Ltd., Credit Information Bureau (India) Ltd., Infrastructure Leasing & Financial Services Ltd, Intelenet Global Services Ltd., GW Capital Pvt. Ltd., Mahindra Holidays and Resorts India Ltd, The Great Eastern Shipping Company Ltd., Tata Infomedia Ltd. ,Association of Leasing & Financial Services Cos. and Member of Management Committee of The Bombay Chamber of Commerce & Industry.

The Resolution as set out in item No. 6 of the Notice will be placed before the meeting for the approval of the members.

Your Directors recommend the approval of proposed resolution by the Members.

None of the Directors of the Company is interested except Mr. Keki M. Mistry, in the resolution.

ITEM No. 7

At the Seventh Annual General Meeting held on 29th December, 1999 shareholders have approved the appointment

of Mr.Sudhir V.Valia as Whole-time Director of the Company for a period of 5 years from 1st April, 1999.The Members had also amended, at the Extra Ordinary General Meeting of the Members held on 20th December, 2002, the terms of the appointment of Mr.Sudhir V.Valia by authorising the Board of Directors of the Company for payment of increased remuneration. Mr. Sudhir V. Valia has provided dedicated and meritorious services towards the growth of the Company. The terms of Mr. Sudhir V. Valia as Whole-time Director shall expire on 31st March 2004.

The main terms and conditions of Mr. Sudhir V. Valia's re-appointment shall be as under:

- i. Mr. Sudhir V. Valia to perform such duties and exercise such powers as are entrusted to him by the Board.
- ii. REMUNERATION:

The remuneration payable shall be determined by the Board from time to time within, however, the maximum limits set forth below:

- a. Salary (including bonus) upto Rs.7,50,000/- (Rupees Seven Lakhs Fifty Thousand Only) per month.
- b. Commission:

Subject to availability of profit and at the rate of not more than 1% of the net profit for the year, the Board of Directors will determine the commission payable within the overall ceiling laid down in sections 198 and 309 of the Companies Act, 1956 and Schedule XIII as may be applicable from time to time.

- c. Perquisites:

He will be entitled to furnished/non furnished accommodation or house rent allowance, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the Company's rules, the monetary value of such perquisites to be determined in accordance with the Income-Tax Rules, 1962 being restricted to Rs.10,00,000/- (Rupees Ten Lakhs Only) per annum;

- d. Company's contribution to provident fund and superannuation fund or annuity fund, gratuity payment as per Company's rules and encashment of leave at the end of his tenure shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.

In the event of absence or inadequacy of profits in any financial year, the remuneration payable to him by way of salary and perquisites shall not exceed the maximum limit prescribed under Schedule XIII to the Companies Act, 1956.

The Board shall have the discretion and authority to modify the forgoing terms and remuneration within, however, the limit prescribed under Schedule XIII to the Companies Act, 1956.

The appointment will be for a period of 5 years, which may be terminated by either party giving to the other 30 days notice in writing or upon Mr. Valia's ceasing to be a Director of the Company.

In compliance with the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the details of remuneration payable to Mr. Sudhir V. Valia are placed before the members, in general meeting, for their approval by way of special resolution.

The terms and conditions of Mr. Sudhir V. Valia's appointment as set out above may also be treated as an abstract of the terms of the draft Agreement between Mr. Sudhir V. Valia and the Company under Section 302 of the Companies Act, 1956.

Your Directors recommend the approval of the proposed special resolution by the Members.

Mr. Sudhir V. Valia himself and Mr. Dilip S. Shanghvi being his relative are concerned or interested in the resolution at Item No.7 of the Notice.

The draft of the agreement to be entered into with Mr. Sudhir V. Valia is available for inspection by any member of the Company at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day prior to the date of the Meeting and at the venue of the Annual General Meeting on the date of the Meeting during the

Meeting hours.

ITEM No.8

At the Seventh Annual General Meeting held on 29th December, 1999 shareholders have approved the appointment of Mr.Sailesh T. Desai as Whole-time Director of the Company for a period of 5 years from 1st April, 1999. Mr.Sailesh T. Desai has provided dedicated and meritorious services towards the growth of the Company. The terms of Mr.Sailesh T. Desai as Whole-time Director expired on 31st March 2004.

The main terms and conditions of Mr.Sailesh T. Desai's re-appointment shall be as under:

i. Mr.Sailesh T. Desai to perform such duties and exercise such powers as are entrusted to him by the Board.

ii. REMUNERATION:

The remuneration payable shall be determined by the Board from time to time within, however, the maximum limits set forth below:

a. Salary (including bonus) upto Rs.1,50,000/- (Rupees One Lakh Fifty Thousand Only) per month.

b. Commission:

Subject to availability of profit and at the rate of not more than 1% of the net profit for the year, the Board of Directors will determine the commission payable within the overall ceiling laid down in sections 198 and 309 of the Companies Act, 1956 and Schedule XIII as may be applicable from time to time.

c. Perquisites:

He will be entitled to furnished/non furnished accommodation or house rent allowance, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the Company's rules, the monetary value of such perquisites to be determined in accordance with the Income-Tax Rules, 1962 being restricted to Rs.3,00,000/- (Rupees Three Lakhs Only) per annum;

d. Company's contribution to provident fund and superannuation fund or annuity fund, gratuity payment as per Company's rules and encashment of leave at the end of his tenure shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.

In the event of absence or inadequacy of profits in any financial year, the remuneration payable to him by way of salary and perquisites shall not exceed the maximum limit prescribed under Schedule XIII to the Companies Act, 1956.

The Board shall have the discretion and authority to modify the forgoing terms and remuneration within, however, the limit prescribed under Schedule XIII to the Companies Act, 1956.

The appointment will be for a period of 5 years, which may be terminated by either party giving to the other 30 days notice in writing or upon Mr.Sailesh T. Desai ceasing to be a Director of the Company.

In compliance with the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the details of remuneration payable to Mr.Sailesh T. Desai are placed before the members, in general meeting, for their approval by way of special resolution.

The terms and conditions of Mr.Sailesh T. Desai's appointment as set out above may also be treated as an abstract of the terms of the draft Agreement between Mr. Sailesh T. Desai and the Company under Section 302 of the Companies Act, 1956.

Your Directors recommend the approval of the proposed resolution by the Members.

None of the Directors of the Company except Mr.Sailesh T. Desai is concerned or interested in the resolution at Item No.8 of the Notice.

The draft of the agreement to be entered into with Mr.Sailesh T. Desai is available for inspection by any member of

the Company at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day prior to the date of the Meeting and at the venue of the Annual General Meeting on the date of the Meeting during the Meeting hours.

Item No.9:

Presently, the Company's Equity Shares are listed at the following four Stock Exchanges in India:

- I The Stock Exchange, Mumbai.
- II The National Stock Exchange of India Limited, Mumbai.
- III Vadodara Stock Exchange Limited (the Regional Stock Exchange).
- IV The Calcutta Stock Exchange Association Limited

The Company's 6% Cumulative Redeemable Preference shares are presently listed at the following three Stock Exchanges in India:

- I The Stock Exchange, Mumbai.
- II The National Stock Exchange of India Limited, Mumbai.
- III Vadodara Stock Exchange Limited (the Regional Stock Exchange).

The Members of the Company accorded their consent by passing a special resolution at the Ninth Annual General Meeting of the Company held on 28th November, 2001 for getting the Company's equity shares delisted voluntarily from Vadodara Stock Exchange Limited, the Stock Exchange, Ahmedabad, The Delhi Stock Exchange Association Limited, The Calcutta Stock Exchange Association Ltd, Madras Stock Exchange Limited. The Company's equity shares have been delisted voluntarily from Madras Stock Exchange Ltd, the Delhi Stock Exchange Association Ltd and Stock Exchange- Ahmedabad with effect from 23rd July, 02, 26th August, 02 and 28th October, 02 respectively. In spite of complying with all the formalities for voluntary delisting & constant follow up, the Calcutta Stock Exchange Association Ltd has not so far granted its approval. The Company is seeking the help of the Securities and Exchange Board of India in this behalf.

Since prior to the issue of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 by the Securities and Exchange Board of India, on February 17, 2003, the Company can not delist its shares from the Regional Stock Exchange, the Company did not make any application for delisting of its equity shares from Vadodara Stock Exchange Limited, being the regional stock exchange of the Company.

Now, under the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 issued by the Securities and Exchange Board of India on February 17, 2003, a company may voluntarily delist from stock exchange (including the Regional Stock Exchange) where its securities are listed provided that

- (i) the securities of the company have been listed for a minimum period of 3 years on any stock exchange.
- (ii) an exit opportunity has been given to the investors for the purpose at the exit price to be decided in accordance with the "book building process".

However in the cases, where the securities to be delisted continue to be listed in a stock exchange having nation wide trading terminals, the exit opportunity need not be given. With the extensive networking of the Stock Exchange, Mumbai (BSE) and the National Stock Exchange of India Limited (NSE) and the extension of the BSE/NSE terminals to other cities as well, investors have access to online dealings in the Company's Equity and Preference Shares across the country. The bulk of the trading in the Company's equity and preference shares in any case takes place on the BSE and the NSE and the depth and liquidity of trading in the Company's Equity and Preference Shares on Vadodara Stock Exchange is nil during the last 2 years.

The Company's Equity Shares are one of the scrips, which the Securities and Exchange Board of India (SEBI) has

specified for settlement only in dematerialised form by all investors, since 29th November 1999.

It is also observed that the listing fee paid to the Stock Exchange from where the Company is seeking voluntary delisting is disproportionately higher, and the trading volumes and liquidity is nil during the last two years ended 31st March, 2003 compared to large volumes at the BSE and NSE.

As a part of its cost reduction measures, the Company has proposed this resolution, which will enable it to delist its Equity and Preference Shares from Vadodara Stock Exchange Limited.

In line with the SEBI regulations and approval, if any required, members' approval is being sought by a Special Resolution for enabling voluntary delisting of its Equity and Preference Shares from the said Stock Exchange. The Company is also seeking separately the approval of the Preference Shareholders by a Special Resolution for enabling voluntary delisting of its Preference shares from the said Stock Exchange, Vadodara Stock Exchange.

The Company will also separately give wherever required Special Notice of the proposed enabling resolution for the said delisting in the Newspapers. The proposed delisting of the Company's Equity and Preference Shares from the Vadodara Stock Exchange Limited, as and when the same takes place, will not adversely affect the investors. The Company's Equity and Preference Shares will continue to be listed on BSE and the NSE. The delisting will take effect after all approvals, permissions and sanctions are received.

Your Directors recommend the Special Resolution for approval of members.

None of the Directors of the Company is, in any way, concerned or interested in the resolution.

Item No.10

For making contribution to certain projects or schemes for promoting the social or economic welfare or upliftment of needy sections of the society, your Company intends to utilise the funds which might be saved due to certain Shareholders waving/forgoing their right to receive the dividend for any year.

This resolution is an enabling Resolution authorising the Board of Directors of the Company to contribute and/or subscribe from time to time for any social causes not directly relating to the business of the Company or the welfare of its employees, upto an aggregate maximum amount permissible which is under section 293(1)(e) of the Companies Act, 1956 without the approval of the Shareholders as increased by an additional amount equivalent to the amount saved due to certain Shareholders waving/forgoing their right to receive dividend to the extent such equivalent amount has not been previously considered for the purpose of calculating the maximum amount permissible which is utilised/contributed/subscribed pursuant to this Resolution for any financial year.

Your Company is authorised, by its Articles of Association, to subscribe to charitable and other funds not directly relating to the business. The consent of the Members sought by the proposed resolution is as required under Section 293 (1) (e) of the Companies Act, 1956.

Your Directors recommend the adoption of the proposed resolution.

None of the Directors of your Company is interested, in the said resolution except to the extent of their respective trusteeship/directorship/membership in such institution/company/organisation to which the contributions may be made by the Company.

By order of the Board of Directors

Place : Mumbai
Date : 1st September, 2003

Kamlesh H. Shah
Company Secretary

Registered Office:
SPARC Akota Road,
Akota, Vadodara – 390 020.



ATTENDANCE SLIP

Registered Office :SPARC, Akota Road, Akota, Vadodara - 390 020

I hereby record my presence at the ELEVENTH ANNUAL GENERAL MEETING of the Company at Marigold, Hotel Taj Residency, Akota Gardens, Vadodara – 390 020 on Tuesday 30th September, 2003, at 10.30 A.M.

Name : _____

Ref. Folio/D.P & Client I.D. No. _____

SIGNATURE OF THE
ATTENDING MEMBER/PRO
held _____

No. of Shares

NOTES :

- (1) Shareholder/Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.
- (2) Shareholder/Proxyholder desiring to attend the meeting should bring his/her copy of the Annual Notice for reference at the meeting.

.....Cut here



PROXY FORM

Registered Office: SPARC, AkotaRoad,Akota, Vadodara – 390 020

I/We _____
of _____ in the district of _____ being
Member of the above-named Company, hereby appoint _____
of _____ in the district of _____ or failing him,
of _____ in the district of _____

as my/our proxy to attend and vote for me/us on my/our behalf at the ELEVENTH ANNUAL GENERAL MEETING of the Company at Marigold, Hotel Taj Residency, Akota Gardens,Vadodara – 390 020 on Tuesday, 30th September, 2003, at 10.30 a.m. and any adjournment thereof.

Signed this _____ day of _____, 2003

Affix

50 paise
Revenue
Stamp

Reference Folio / D.P & Client I.D.No. _____

No. of Equity shares held _____

Signature

Note: The Proxy form must be returned so as to reach the Registered Office of the Company at SPARC, Akota Road, Akota, Vadodara - 390 020, not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting.