

FULFORD (INDIA) LIMITED**Board of Directors**

Mr. R.A. SHAH, *Chairman*
 Mr. A.M. BLANCO
 Mr. RODNEY UNSWORTH
 Mr. V.G. ATHAVALE
 Dr. S.H. ADVANI
 Mr. K.D. SHAH, *President & Managing Director*
 Mr. K.J. KAUL, *(Alternate to Mr. Rodney Unsworth and Whole-time Director)*
 Mr. A.V. SAPRE, *(Alternate to Mr. A.M. Blanco and Whole-time Director)*

COMPANY SECRETARY

Mrs. USHA RAMDOSS

FUNCTIONAL HEADS

Mr. A.S. PADMANABHAN, *Vice-President – Human Resources*
 Mr. K.J. KAUL, *Vice-President - Technical*
 Dr. NITIN MULGAONKAR, *Director – Medical & Regulatory Affairs*
 Mr. M.K. RAJAN, *Vice-President – Marketing & Sales*
 Mr. R.K. RUSTAGI, *Vice-President – Corporate Affairs*
 Mr. A.V. SAPRE, *Vice-President – Finance*
 Mr. K. VENKATRAMAN, *Vice-President – Commercial*

REGISTERED OFFICE

EUREKA TOWERS, 8TH FLOOR,
 MINDSPACE, LINK ROAD,
 MALAD (W) , MUMBAI – 400 064

REGIONAL OFFICE*/C&F AGENTS

Ahmedabad, Ambala, Kolkatta, Chennai, Cuttack, Delhi*, Dehradun,
 Guwahati, Hubli, Hyderabad, Indore, Jaipur, Lucknow, Ludhiana, Patna,
 Raipur, Ranchi, Trivandrum.

BANKERS

STATE BANK OF INDIA
 CANARA BANK
 HDFC BANK

LEGAL ADVISORS

CRAWFORD BAYLEY & CO.

AUDITORS

DELOITTE HASKINS & SELLS

REGISTRARS AND SHARE TRANSFER AGENTS

INTIME SPECTRUM REGISTRY LTD.
 C/13, Panalal Silk Mills Compound,
 LBS Marg, Bhandup (West),
 Mumbai – 400 078

REQUESTS TO MEMBERS

All correspondence regarding transfer and demat of shares may be addressed to our Registrars and Share Transfer Agents.

Members are requested to bring their copy of the Annual Report to the Meeting.

Members requiring any information about the accounts are requested to write to the Company at least one week before the date of the meeting so that the information may be made available at the meeting.

FULFORD (INDIA) LIMITED



Touching Lives

We, at Fulford, aspire to earn trust everyday and work to become the best “customer-touch” company in our industry, as judged by our customers.

“Wellness”- It's a word that encompasses our attempt to gain well-being of our mind, body and spirit. The world over, people are looking for the right remedies to treat their ailments and illnesses. For this purpose, they need to know about disease conditions, what are the treatment options and treat the disease and/or improve the quality of life. At Fulford our quest is to look for the real answer, based on scientific data and experience generated from studies conducted across the globe.

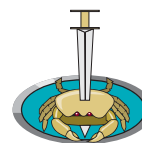
This means that we're involving the people in every possible way, be it in creating awareness about the disease or in creating a consciousness about its treatment.

At Fulford we're not just bringing new medicines, we aim 'Touching Lives' of the people to provide them good, healthy quality of life.

Social Responsibility:



We organise various public awareness camps in respect of all our divisions viz. Oncology, Virology, Cardian and Primary care divisions. These public awareness programs create collective consciousness in the public of the possible causes of the specified disease conditions, early signs and symptoms and early actions required to treat/alleviate the disease condition. We also organise Screening programs for the public to enable early detection of



FULFORD (INDIA) LIMITED

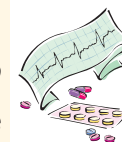


diseases. Continuous Medical Education (CME) programs are held for the speciality divisions where Key Opinion Leaders are invited to conferences, for sharing their experience on the particular subject of specialised medicine, and the general physicians are updated on the latest developments in that specialised field. These CMEs evidence our support to the enrichment of knowledge of the medical fraternity.

In Virology division, we conduct screening programs for the general public to test their status on Hepatitis B and Hepatitis C virus by providing free or subsidised testing facilities. We also participate in medical conferences to disseminate knowledge on the new advances in the treatment of Hepatitis B and C and ways and means to get better and quicker response rate.

In the Primary Care Division which caters to the marketing of products in Dermatology, Allergy and some injectable antibiotics, the contact points between the Division and the Customers is very high and so the reach is significant. In this particular division, we publish a quarterly magazine- "Whats' New in Dermatology" and this journal incorporates all the latest happenings in Dermatology, Venerology and Leprosy and is well appreciated by 4000 dermatologists across the country. We also regularly conduct Derma camps in Hospital OPDs, benefiting poor patients.

In case of emergency situations, we donate medicines to institutions. In 2004, we have launched a corporate website where our complete product information is displayed for the access and education of the general public.



FULFORD (INDIA) LIMITED



Notice

NOTICE is hereby given that the Fifty-Seventh Annual General Meeting of FULFORD (INDIA) LIMITED will be held at M.C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001 on Wednesday, April 6, 2005 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To consider and, if thought fit, to pass with or without modification, as a Special Resolution, the following:
"RESOLVED THAT the Balance Sheet as at December 31, 2004 and the Profit & Loss Account for the year ended on that date together with the Directors' and the Auditors' Report thereon be and are hereby approved and adopted".
2. To consider, and if thought fit, to pass with or without modification, as a Special Resolution the following:
"RESOLVED THAT pursuant to the recommendation of the Board of Directors, a dividend at the rate of 25% on the equity share capital of the Company for the year ended December 31, 2004 be and is hereby declared out of the profits for that year, payable to those members whose names appear on the Company's Register of Members as on the 6th day of April, 2005".
3. To consider and, if thought fit, to pass with or without modification, as a Special Resolution, the following:
"RESOLVED THAT Messrs. Deloitte Haskins & Sells, Chartered Accountants, the retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company for the financial year ending December 31, 2005 and they shall hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors of the Company".

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification, as a Special Resolution, the following:
"RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, including Schedule XIII of the Companies Act, 1956, as amended up to date and subject to such sanctions and other approvals, as may be necessary, the Company do hereby accord its consent to the re-appointment of and remuneration paid/payable to Mr. K.D. Shah, as President & Managing Director of the Company for a period of three years with effect from January 1, 2004 to December 31, 2006 as detailed in the explanatory statement annexed hereto and the draft agreement to be entered into between the Company and Mr. K.D. Shah, a copy whereof initialed by the Chairman is hereby specifically sanctioned with liberty and power to the Directors to alter and vary the terms and conditions, in such manner as the Board may deem fit within the limits specified in Schedule XIII of the said Act, as existing or as amended, modified or re-enacted from time to time by the Government of India".

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the term of service of Mr. K.D. Shah, as President & Managing Director of the Company, Mr. K.D. Shah shall, in respect of such financial year, be paid such remuneration by way of salary, dearness allowance, perquisites and any other allowances, as set out in the explanatory statement hereto or as the Board of Directors may deem fit, provided that the total remuneration by way of salary, dearness allowance, perquisites and any other allowances shall not exceed Rs. 920,833/- per month for the year ended December 31, 2004; Rs. 1,145,833/- per month for the year ended December 31, 2005; and Rs. 1,370,833/- per month for the year ended December 31, 2006 as approved by the Central Government vide letter no. 1/194/2004 CL.VII dated September 16, 2004".

"RESOLVED FURTHER THAT in the event of adequacy of profits during the term of service of Mr. K.D. Shah, as President and Managing Director of the Company, i.e. from January 1, 2004 to December 31, 2006, Mr. K.D. Shah shall, in respect of such financial year, be paid such remuneration by way of salary, dearness allowance, perquisites and any other allowances, as set out in the explanatory statement hereto or as the Board of Directors may deem fit within the limits specified in Schedule XIII of the said Act, as existing or as amended, modified or re-enacted from time to time by the Government of India".

"RESOLVED FURTHER THAT for the purpose of giving effect to the Resolution, any Director or the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper".

FULFORD (INDIA) LIMITED**Notice (Contd.)**

"RESOLVED FURTHER THAT the Board of directors are also authorised to make such modifications in the foregoing as may be considered by them to be in the best interest of the Company and the shareholders".

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

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309 and 310 and other applicable provisions if any of the Companies Act, 1956 (the Act) including Schedule XIII of the Act, as amended upto date and subject to such other approvals as may be necessary, consent of the Company be and is hereby accorded to the appointment of and remuneration payable to Mr. A.V. Sapre as Wholetime Director (as Alternate Director to Mr. A.M. Blanco), for a period of three years, upon the terms and conditions set out in the Explanatory Statement annexed hereto".

"RESOLVED FURTHER THAT in the event of Mr. A.M. Blanco visiting India, Mr. A.V. Sapre shall vacate his office as alternate Director (and accordingly as Wholetime Director) but immediately upon Mr. A.M. Blanco leaving India, Mr. A.V. Sapre shall stand automatically re-appointed as the alternate Director to Mr. A.M. Blanco (and Wholetime Director) upon the same terms & conditions without any further act, deed or thing being done, executed or performed either by the Company or the Board of Directors".

"RESOLVED FURTHER THAT consequent upon Mr. A.V. Sapre ceasing to be in the employment of the Company, he shall automatically cease to be a Director of the Company in any capacity whatsoever without any further act, deed or thing being done".

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the term of service of Mr. A.V. Sapre as Wholetime Director of the Company, Mr. A.V. Sapre shall, in respect of such financial year, be paid remuneration by way of salary, dearness allowance, perquisites and any other allowances as set out in the Explanatory Statement hereto or as the Board of Directors may deem fit, provided that the total remuneration by way of salary, dearness allowance, perquisites and any other allowances shall be subject to the approval of the Central Government, in so far as it exceeds the ceiling set out in Section II of Part II of Schedule XIII to the Act or such other ceiling as may be provided in the said Schedule XIII subject to such conditions as may be amended, modified or re-enacted from time to time by the Government of India".

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, any Director or the Company Secretary of the Company be and are hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper".

"RESOLVED FURTHER THAT the Board of directors are also authorised to make such modifications in the foregoing as may be considered by them to be in the best interest of the Company and the shareholders".

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

"RESOLVED THAT pursuant to the provisions of Section 309 and other applicable provisions of the Companies Act, 1956, and Article 117 of the Company's Articles of Association, the Company do hereby approve of and consent to the payment and distribution thereof of a sum not exceeding one percent of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 1956 as remuneration by way of commission over and above the sitting fees, amongst the Directors of the Company (other than Managing Director and Whole-time Director) in such amounts or proportions and in such manner as may be decided by the Board of Directors from time to time and such payments shall be made in respect of the profits for the year ending December 31, 2004 and succeeding years".

"RESOLVED FURTHER THAT the consent of the Company be and is hereby accorded to ratify, confirm and approve the payment of commission over and above the sitting fees, paid to the Directors of the Company (other than Managing Director and Whole-time Director) for the prior years".

By Order of the Board of Directors

USHA RAMDOSS
Company Secretary

Mumbai, February 9, 2005

Registered Office:
8th floor, Eureka Towers,
MindSpace, Link Road,
Malad (West), Mumbai - 400 064.

FULFORD (INDIA) LIMITED**Notice (Contd.)**

- NOTES: 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, ONLY ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. However Proxy Forms duly stamped, completed and signed, should be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.
2. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from April 1, 2005 to April 6, 2005, both days inclusive.
4. Members are requested to notify any change in their address immediately to the Company or to its Registrars and Share Transfer Agents.
5. Members holding shares in demat mode may please note that, the bank details as furnished by the respective Depositories to the Company will be mandatorily printed on their dividend warrants for the purpose of distribution of dividend through Electronic Clearing Service (ECS) as advised by the Securities and Exchange Board of India (SEBI). In the absence of ECS facility, the bank account details, if available, will be printed on the dividend warrants. Instructions if any, given by them in respect of shares held in physical mode will not be automatically applicable to the dividend paid on shares held in demat mode. Members holding shares in demat mode must, therefore, give instructions regarding bank accounts in which they wish to receive dividend, to their Depository Participants. The Company or the Registrar and Share Transfer Agents will not act on any direct request from these Members for change/deletion in such bank details.
6. In terms of Sections 205A and 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund. Members shall not be able to claim any unpaid dividend from the said Fund or the Company thereafter. Members who have not encashed the dividend warrants for the years 1998, 2001 and 2003 are requested to contact the Registrar and Transfer Agents, Intime Spectrum Registry Ltd. Mumbai. Outstanding dividend for the years prior to 1995 have been transferred to the General Revenue Account of the Central Government. Outstanding dividend for the years 1995 and 1996 has been transferred to the Investor Education and Protection Fund. Outstanding dividend for the year 1997 shall be transferred to the Investor Education and Protection Fund shortly.

PROFILE OF DIRECTORS BEING APPOINTED/ RE-APPOINTED**INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT**

As required under Clause 49 of the Listing Agreement, the particulars of Directors who are proposed to be appointed/ re-appointed is given below:

1. Mr. Kaushik Dwarkadas Shah

Age : 54 years

Qualification : B.COM., A.C.A., A.C.S., L.L.B.

Experience : Mr. K.D. Shah has about 27 years experience in the Pharmaceutical Industry. He joined the Company as an Accountant on August 11, 1977. Thereafter, in August 1980, he was formally designated as Secretary of the Company. He was given an additional charge in Finance and subsequently in February 1982, he was re-designated as Chief Accountant and Secretary. Further, effective 01.01.89, he was promoted as Vice-President Finance and in recognition of his meritorious services he was placed on the Company's Board as a Whole-time Director with effect from April 1, 1989.

On November 1, 1996 Mr. Shah was appointed as President and Managing Director of the Company, for a period of five years. He has been appointed as President and Managing Director for a further period of five years effective November 1, 2001. He is re-appointed by the Board for a period of three years with effect from January 1, 2004.

FULFORD (INDIA) LIMITED**Notice (Contd.)**

Names of Companies in which he holds directorships and committee memberships:

Sr.	Names	Nature of Interest
1.	Fulford (India) Limited	President and Managing Director, Member of Remuneration Committee, Shareholders/ Investors Grievance Committee and Share Transfer Committee.
2.	Organisation of Pharmaceutical Producers of India	Director

2. Mr. Ajay Vishnu Sapre

Age: 44 years

Qualification: B. Com., LLB (Gen), AICWA

Experience: Mr. A.V. Sapre has about 22 years experience in the pharmaceutical industry. He joined the Company in September 1992 and was appointed as Manager-Finance in 1995. In January 1996, he was elevated to the position of Finance Controller and in November 1996, he became the Finance Director. He was promoted to the position of Senior Director- Finance in January 1999 and since 2002, he has been working in the capacity of Vice-President Finance. He has also been mentoring one segment of the Oncology division since 2003.

Names of Companies in which he holds directorships and committee memberships:

Sr.	Names	Nature of Interest
1.	Fulford (India) Limited	Alternate Director to Mr. A.M. Blanco and Wholetime Director
2.	Schering Plough (India) Private Limited	Director
3.	Organisation of Pharmaceutical Producers of India	Member of Pricing and Taxation Committee

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 4

Mr. K.D. Shah was appointed as President and Managing Director of the Company with effect from November 1, 1996 for a term of five years, which expired on October 31, 2001. Subsequently, he was reappointed as President and Managing Director for a further period of five years effective November 1, 2001. During the year 2004, in spite of the Company returning to profits, by way of abundant caution the Company made an application to the Central Government seeking its approval for re-appointment and payment of remuneration to Mr. K.D. Shah for the period January 1, 2004 to December 31, 2006 in the event of inadequacy of profits, in line with notification no. GSR 36(E) dated 16.01.2002. The Company received the Government's approval vide their letter no. 1/194/2004 CL. VII dated September 16, 2004 subject to shareholders' approval at their General Meeting.

Mr. K.D. Shah is associated with the Company for about 27 years. He is a Chartered Accountant, Law Graduate and a qualified Company Secretary. He has immensely contributed to the Company's performance in various capacities over the years. In the year 2003, Mr. Shah has undertaken great efforts to ensure turnaround for the Company in the shortest possible time. His able leadership and guidance has steered the company to profitability from a position of loss. He has shown exemplary performance, dedication and commitment which is reflected in the Company's returning to the stage of profitability. The Company is greatly dependent on the managerial skills and expertise of Mr. Shah. His re-appointment is at present within the ceiling prescribed by Schedule XIII to the Companies Act, 1956 and subject to any statutory modification or re-enactment thereto and/or any guidelines relating to managerial remuneration as may be notified by the Government from time to time.

FULFORD (INDIA) LIMITED



Annexure to Notice (Contd.)

The principal terms of re-appointment and remuneration are as under:

Period of Appointment : 3 years from January 1, 2004.

A. Nature of Duties: Mr. K.D. Shah shall exercise and perform such powers and duties as the Board of Directors of the Company shall from time to time determine and subject to any directions, supervision, control and restrictions from time to time given and imposed by the Board, he shall have the general control, management and superintendence of business of the Company and substantial powers of management of the Company.

B. Terms of remuneration: Subject to the overall limits of the total managerial remuneration of each year as provided under Sections 198, 269 and 309 of the Companies Act, 1956 read with Schedule XIII of the Act, the principal terms of remuneration of Mr. K.D. Shah are as under:

1. **SALARY:** Rs. 467,916/- per month from January 1, 2004 in the scale of Rs. 400,000/- to Rs. 9,00,000/-. The increments will be decided and approved by the Board of Directors or its Committee.

2. **COMMISSION:** Commission not exceeding the annual salary, provided however the commission will be payable on pro-rata basis in the event of earlier cessation or termination of the appointment as may be approved by the Board of Directors or its Committee for each year. Herein no commission has been paid to Mr. K.D. Shah for the financial year 2004.

3. ALLOWANCES AND PERQUISITES:

a. In addition to the above remuneration, Mr. K.D. Shah shall also be entitled to allowances and perquisites like furnished accommodation (or House Rent Allowance in lieu thereof to the extent approved by the Board of Directors) including gas, electricity and water; medical reimbursement and leave travel concessions for self and family; club fees; medical insurance; etc. as per the rules of the Company for each year.

Provisions for use of Company car for official duties and telephone at residence (including payment of local calls and long distance official calls) shall not be included in the computation of allowances and perquisites.

b. Company's contribution to Provident Fund and Superannuation Fund in aggregate shall be as per the rules of the Company and applicable laws. Leave encashment as per the rules of the Company.

c. Gratuity as per the rules of the Company.

(All the above perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rule, perquisites shall be evaluated at actual cost).

In the event of loss or inadequacy of profits, in the financial year, during the tenure of Mr. K.D. Shah as President and Managing Director of the Company, Mr. K.D. Shah shall be entitled to receive a total remuneration including allowances, perquisites, etc. not exceeding ceiling limits as approved by the Government as minimum remuneration.

4. **SITTING FEES:** The President and Managing Director shall not be entitled to any sitting fees for attending meetings of the Board or any committee thereof.

5. **TERMINATION:** By three months notice on EITHER side.

The terms and conditions of the said re-appointment and remuneration may be increased, altered or varied from time to time by the Board of Directors as it may, in its discretion, deem fit so as to be in conformity with the law, for time being in force.

In compliance with the provisions of Sections 198, 269, 309 and 310 of the Companies Act, 1956, read with Schedule XIII of the Act, the re-appointment of Mr. K.D. Shah as the President and Managing Director and the terms of his re-appointment and remuneration specified above are now being placed before the members in the General Meeting for their approval.

The terms and conditions set out above should also be treated as an abstract and memorandum of interest under Section 302 of the Companies Act, 1956.

Except Mr. K.D. Shah, none of the other Directors are interested in the resolution.

FULFORD (INDIA) LIMITED



Annexure to Notice (Contd.)

Item No. 5

Mr. A.V. Sapre has about 22 years experience in the pharmaceutical industry. His contribution to the Company has been exemplary in terms of cost effectiveness, various value enhancement initiatives, system upgradation etc. He has been given additional charge of overseeing one segment of the Oncology division since 2003.

In recognition of his immense contribution, he has been appointed by the Board of Directors of the Company at their meeting held on February 9, 2005 as Alternate Director to Mr A.M. Blanco and Wholetime Director of the Company, subject to the approval of the shareholders at their General Meeting on the terms of remuneration approved by the Board of Directors at the same meeting.

The principal terms of appointment and remuneration are as under:

Period of Appointment: 3 years from February 9, 2005.

- A. Nature of Duties:** Mr. A.V. Sapre shall exercise and perform such powers and duties as the Board of Directors of the Company shall from time to time determine and entrust, under whose supervision and control he shall operate.
- B. Terms of remuneration:** Subject to the overall limits of the total managerial remuneration of each year as provided under Sections 198, 269 and 309 of the Companies Act, 1956 read with Schedule XIII of the Act, the principal terms of remuneration of Mr. A.V. Sapre are as under:
 - 1. SALARY:** Rs 51,145/- per month in the scale of Rs. 50,000/- to Rs. 300,000/-. The increments will be decided and approved by the Board of Directors or its Committee.
 - 2. HOUSE RENT ALLOWANCE (H.R.A.):** Rs. 27,275/- per month in the scale of Rs. 25,000/- to Rs. 60,000/-. The increments will be decided and approved by the Board of Directors or its Committee. In lieu of House Rent Allowance, Mr. A.V. Sapre may be entitled to furnished accommodation including gas, electricity and water to the extent approved by the Board of Directors.
 - 3. CITY ALLOWANCE (C.A.):** Rs.27,645/- per month in the scale of Rs. 25,000/- to Rs. 60,000/-. The increments will be decided and approved by the Board of Directors or its Committee.
 - 4. SPECIAL ALLOWANCE:** Rs. 9,000/- per month in the scale of Rs. 5,000/- to Rs.25,000/-. The increments will be decided and approved by the Board of Directors or its Committee.
 - 5. PERFORMANCE REWARD:** In the scale of Rs.500,000/- to Rs.900,000/- for each calendar year. The amount will be decided and approved by the Board of Directors or its Committee for each year.
 - 6. ALLOWANCES AND PERQUISITES:**
 - a. In addition to the above remuneration, Mr. A.V. Sapre shall also be entitled to allowances and perquisites like medical reimbursement and leave travel concessions for self and family, club fees, medical insurance, etc. as per the rules of the Company for each year.
Provisions for use of Company car for official duties and telephone at residence (including payment of local calls and long distance official calls) shall not be included in the computation of allowances and perquisites.
 - b. Company's contribution to Provident Fund and Superannuation Fund in aggregate shall be as per the rules of the Company and applicable laws. Leave encashment as per the rules of the Company.
 - c. Gratuity as per the rules of the Company.
(All the above perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rule, perquisites shall be evaluated at actual cost).
 - 7. SITTING FEES:** The Wholetime Director shall not be entitled to any sitting fees for attending meetings of the Board or any Committee thereof.
 - 8. TERMINATION:** By three months notice on EITHER side.
The terms and conditions of the said appointment and remuneration may be increased, altered or varied from time to time by the Board of Directors or its Committee as it may, in its discretion, deem fit so as to be in conformity with the law, for time being in force.

FULFORD (INDIA) LIMITED**Annexure to Notice (Contd.)**

The above proposal does not require the approval of the Central Government under Section 309 of the Companies Act, 1956 as the appointment and remuneration payable to Mr. A.V. Sapre is within the limits laid down in Schedule XIII of the Companies Act, 1956.

In the event of inadequacy of profits in any financial year, Mr. A.V. Sapre shall be paid the aforesaid remuneration provided that the total remuneration by way of salary, dearness allowance, perquisites, or any other allowances shall be subject to the approval of the Central Government in so far as it exceeds the limits set out in Section II of Part II of Schedule XIII to the Act as amended, modified or re-enacted from time to time by the Government of India.

In compliance with the provisions of Sections 198, 269, 309 and 310 of the Companies Act, 1956, read with Schedule XIII of the Act, the appointment of Mr. A.V. Sapre as a Wholetime Director and the terms of his appointment and remuneration specified above are now being placed before the members in the General Meeting for their approval.

The terms and conditions set out above should also be treated as an abstract and memorandum of interest under Section 302 of the Companies Act, 1956.

Except Mr. A.V. Sapre, none of the other Directors are interested in the resolution.

Item No. 6

In the changing scenario of globalisation and highly competitive environment, the Company looks forward to the valuable guidance and immense benefit which it can derive from the experience of the non- wholetime Directors.

In due appreciation of the various services rendered by the non-wholetime Directors of the Company and with the increasing activities of the Company and additional work involved, it is considered desirable to pay them remuneration by way of commission not exceeding the limits laid down under the provisions of Section 309 (4) and other applicable provisions of the Companies Act, 1956 and Article 117 of the Articles of Association of the Company. This would be in addition to the sitting fees paid for each meeting of the Board or Committee thereof, attended by them.

A Special Resolution at Item No. 6 seeks to give effect to payment of commission to all non-wholetime Directors for the year ending December 31, 2004 and succeeding years and ratification of the payment of commission to all non-wholetime Directors for the prior years.

All non-wholetime Directors are interested in the resolution.

By Order of the Board of Directors

USHA RAMDOSS
Company Secretary

Mumbai, February 9, 2005

Registered Office:

8th floor, Eureka Towers,
MindSPACE, Link Road,
Malad (West), Mumbai - 400 064.