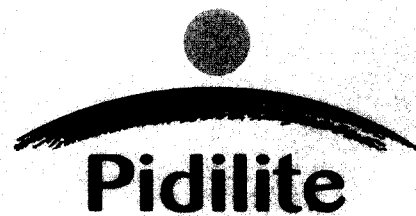


PIDILITE INDUSTRIES LIMITED

34th ANNUAL REPORT

2002-2003



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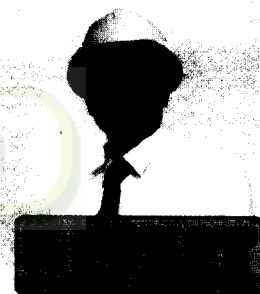
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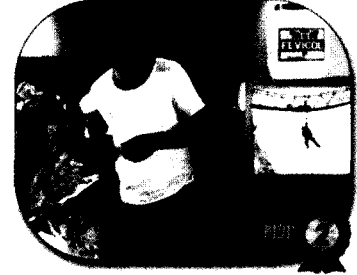
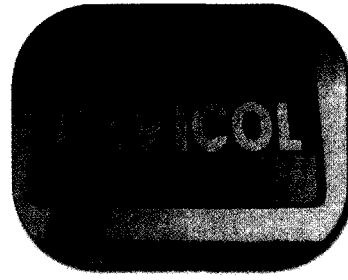


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Kya idea hai
CONTEST

Our consumers and the general public have always appreciated Fevicol advertising.

Building on this, the "Kya Idea Hai" contest was run nationally across various TV channels. Contest participants had to rate six award-winning Fevicol advertisements.

The six advertisements and the three that received the top ratings are shown here.



PIDILITE INDUSTRIES LIMITED

Registered Office: Regent Chambers, 7th floor, Jarnalal Bajaj Marg, 208 Nariman Point, Mumbai - 400 021

NOTICE

NOTICE is hereby given that the THIRTY FOURTH ANNUAL GENERAL MEETING of the members of the company will be held on Tuesday, the 5th August, 2003 at 11.00 a.m. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20 Kaikhushru Dubash Marg, Mumbai - 400 001 to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt the Profit and Loss Account for the year ended on 31st March, 2003 and the Balance Sheet as at that date together with the Directors' Report and Auditors' Report.
2. To declare a Dividend on Equity Shares.
3. To appoint a Director in place of Shri A.B. Parekh, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri R.M. Gandhi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Santosh Kumar, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Shri B.K. Parekh, who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint Auditors for the current year to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311, 316 Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to limits laid down under aforesaid Sections/Schedule XIII, the consent of the members be and is hereby given for re-appointment of Shri M. B. Parekh (who is also acting as the Managing Director of M/s. Vinyl Chemicals (India) Ltd.), as the Managing Director of the company for a further period of 5 years with effect from 1st August, 2003 upon the terms and conditions and payment of remuneration as set out in the Explanatory Statement attached to this Notice."

"RESOLVED FURTHER THAT Shri M.B.Parekh, the Managing Director be in charge of general management of the company within the provisions of Articles of Association but subject to superintendence, control and direction of the Board of Directors."

"RESOLVED FURTHER THAT Shri M.B.Parekh, will be a non rotational Director and shall not be liable to retire by rotation during his term as a Managing Director."

"RESOLVED FURTHER THAT the Managing Director shall be entitled to reimbursement of all expenses incurred for the purpose of business of the company and shall not be entitled to any sitting fees for attending meeting of the Board of Directors and Committee(s) thereof."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary such terms of re-appointment and remuneration so as not to exceed the limits specified in Schedule XIII and other applicable Sections of the Companies Act, 1956 or any statutory modifications thereof as may be agreed to by the Board of Directors and Shri M. B. Parekh."

"RESOLVED FURTHER THAT total remuneration by way of salary, perquisites, allowances and commission payable to Shri M.B.Parekh, Managing Director, in any Financial Year shall not exceed 5% of the Net Profit of that Financial Year, as per Sec.I of Part II of Schedule XIII."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311, Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 and subject to limits laid down under aforesaid Sections / Schedule XIII, the consent of the members be and is hereby given for re-appointment of Shri N. K. Parekh as the Joint Managing Director of the company for a further period of 5 years with effect from 1st August, 2003 upon the terms and conditions and payment of remuneration as set out in the Explanatory Statement attached to this Notice."



"RESOLVED FURTHER THAT Shri N.K. Parekh, the Joint Managing Director be in charge of general management of the company along with the Managing Director within the provisions of Articles of Association but subject to superintendence, control and direction of the Board of Directors."

"RESOLVED FURTHER THAT Shri N. K. Parekh will be a non rotational Director and shall not be liable to retire by rotation during his term as a Joint Managing Director."

"RESOLVED FURTHER THAT the Joint Managing Director shall be entitled to reimbursement of all expenses incurred for the purpose of business of the company and shall not be entitled to any sitting fees for attending meeting of the Board of Directors and Committee(s) thereof."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary such terms of re-appointment and remuneration so as not to exceed the limits specified in Schedule XIII and other applicable Sections of the Companies Act, 1956 or any statutory modifications thereof as may be agreed to by the Board of Directors and Shri N. K. Parekh."

"RESOLVED FURTHER THAT total remuneration by way of salary, perquisites, allowances and commission payable to Shri N.K.Parekh, Joint Managing Director, in any Financial Year shall not exceed 5% of the Net Profit of that Financial Year, as per Sec.I of Part II of Schedule XIII."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311, Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 and subject to limits laid down under aforesaid Sections / Schedule XIII, the consent of the members be and is hereby given for re-appointment of Shri A. B. Parekh as the Whole Time Director of the company for a further period of 5 years with effect from 1st August, 2003 upon the terms and conditions and payment of remuneration as set out in the Explanatory Statement attached to this Notice."

"RESOLVED FURTHER THAT Shri A.B.Parekh, the Whole Time Director shall work under the superintendence, control and direction of the Board of Directors."

"RESOLVED FURTHER THAT the Whole Time Director shall be entitled to reimbursement of all expenses incurred for the purpose of business of the company and shall not be entitled to any sitting fees for attending meeting of the Board of Directors and Committee(s) thereof."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary such terms of re-appointment and remuneration so as not to exceed the limits specified in Schedule XIII and other applicable Sections of the Companies Act, 1956 or any statutory modifications thereof as may be agreed to by the Board of Directors and Shri A. B. Parekh."

"RESOLVED FURTHER THAT total remuneration by way of salary, perquisites, allowances and commission payable to Shri A.B.Parekh, Whole Time Director, in any Financial Year shall not exceed 5% of the Net Profit of that Financial Year, as per Sec.I of Part II of Schedule XIII."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") approval of the members of the company be and is hereby accorded to the re-appointment of Shri S. T. Dave as a Whole Time Director of the company for a period of 2 years with effect from 1st July, 2003, upon the terms and conditions and payment of remuneration as set out in the Explanatory Statement attached to this Notice."

"RESOLVED FURTHER THAT the Board of Directors of the company (hereinafter referred to as the Board) be and is hereby authorised to vary and/or modify the terms and conditions of re-appointment including remuneration and perquisites payable to Shri S. T. Dave in such manner as may be agreed to between the Board and Shri S. T. Dave within and in accordance with the limits prescribed in Schedule XIII to the Act or in accordance with the changes that may be effected in Schedule XIII of the Act and/or any amendments and/or modifications that may be made by the Central Government in that behalf from time to time or any amendments or re-enactment of the relevant provisions of the Act ."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors."

"RESOLVED FURTHER THAT Shri S. T. Dave, the Whole Time Director shall continue to function as Director (Factories Operations) and apart from other duties that are entrusted to him from time to time, he shall be in overall charge of all the

factories of the company situated in the State of Maharashtra, Gujarat, Union Territory of Daman or any other State or Union Territory in India."

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

"RESOLVED THAT pursuant to Section 314 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time, the Directors' Relatives (Office or Place for Profit) Rules, 2003 and subject to such approvals, permissions and sanctions, if required and as may be necessary, consent of the company be and is hereby accorded to Shri Malay R. Parekh, who is a relative of a Director to hold an office or place of profit under the company as a Dy. Manager or with such designation as the company's Managing Director may, from time to time, decide, upon a monthly salary of Rs. 11,450 p.m. and other allowances, benefits, amenities and facilities with effect from 1st July, 2003, so as not to exceed the monthly remuneration of Rs. 50,000 or such other permissible total monthly remuneration that may be prescribed in this behalf from time to time under Section 314 of the Companies Act, 1956."

"RESOLVED FURTHER THAT the Managing Director of the company is hereby authorised to promote him to higher cadres and/or to sanction him accelerated increments within the said cadre or higher cadre as and when they deem fit, subject, however, to the rules and regulations of the company, in force, from time to time, provided that the total monthly remuneration shall not exceed Rs. 50,000 or such higher sum as may be prescribed from time to time, except with the prior approval of the Central Government, if required, pursuant to the provisions of Section 314 (1B) and other applicable provisions of the Act."

"RESOLVED FURTHER THAT the Board of Directors of the company be and they are hereby authorised to take, perform and execute such further steps, acts, deeds and matters, as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, a sum not exceeding one percent per annum of the net profits of the company, calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956 be paid by way of commission to and distributed amongst the Directors of the company or some or any of them (other than the Managing Director, Joint Managing Director and the Whole Time Director of the company) in such amounts, subject to such ceiling/s and in such manner and in all respects as may be decided and directed by the Board of Directors and such payments shall be made in respect of the profits of the company for each year for a period of 5 years commencing 1st April, 2003."

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

"RESOLVED THAT in terms of Securities and Exchange Board of India (Delisting of Securities) Guidelines - 2003, all other laws, rules, regulations and guidelines, as applicable and subject to the provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter) 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 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 this resolution), consent of the company is hereby accorded for voluntary delisting of company's Equity Shares from The Stock Exchange, Ahmedabad and The Delhi Stock Exchange Association Ltd."

"RESOLVED FURTHER THAT the Board of Directors of the company is hereby authorised to do all acts, deeds, matters and things as may be necessary for the purpose of giving effect to this resolution."

BY ORDER OF THE BOARD OF DIRECTORS

P.C. PATEL

SR. VICE PRESIDENT

& SECRETARY

Mumbai

Date: 10th June, 2003

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 OF THE COMPANY. The proxies, to be effective, should be deposited at the Registered Office of the company not later than 48 hours before the commencement of the meeting.
2. An Explanatory Statement as required under 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 be closed from Tuesday the 22nd July, 2003 to Tuesday the 5th August, 2003 (both days inclusive).
4. The dividend on shares as recommended by the Directors when declared at the Annual General Meeting will be paid to those Shareholders whose names appear on the Register of Members of the company on 5th August, 2003. In respect of shares held in



electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. for this purpose.

5. Members may note that S.E.B.I. has made it mandatory for all companies to distribute dividends through Electronic Clearing Service (ECS) to the investors wherever this facility is available. In all other cases, companies shall despatch dividend warrants for payment of dividends.

In view of the above, members holding shares in PHYSICAL FORM are requested to furnish their Bank Account details (or any changes in the name, if furnished earlier) along with photocopy of a blank cancelled cheque to the Registrar & Transfer (R & T) Agents and members holding shares in ELECTRONIC FORM are requested to furnish the said details (or any changes thereof) to their Depository Participants (DPs) immediately in order to receive prompt credit of dividend.

6. Members are requested to inform R & T Agents (in case of shares held in Physical Form) or Depository Participants (in case of shares held in Electronic Form) any change in their addresses immediately.
 7. The members can avail facility of nomination in terms of extant legal provisions in this regard. On request, the necessary form can be obtained from the R & T Agents.
 8. For the convenience of members and for proper conduct of the meeting, entry to the place of meeting will be regulated by an Attendance Slip, which is annexed to the Proxy Form. Members are requested to append their signatures at the place provided on the Attendance Slip and hand it over at the entrance.
 9. Members are requested to bring their copy of the Annual Report with them at the meeting as additional copies of the same will not be made available at the meeting.
 10. Members are requested to send their queries, if any, atleast ten days in advance to the Registered Office, so that the information can be made available at the meeting, subject to permission of the Chairman.
 11. A. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/unpaid dividends upto the financial year ended 31st, March, 1994 have been transferred to the General Revenue Account of the Central Government. Those members who have so far not claimed their dividends for the said periods may claim the same by submitting an application in the prescribed Form No.II to the Registrar of Companies, Maharashtra, C.G.O. Bldg., A-Wing, 2nd floor, C.B.D. Belapur, Opp. Police Commissioner's Office, Belapur - 400 614.
 - B. 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 (Fund).
- Accordingly, the company has transferred unclaimed/unpaid dividend in respect of Financial Year ended 31st March, 1995 to the Fund.

Members who have yet not encashed their Dividend Warrants for the years ended 31st March, 1996 to 31st March, 2002 are requested to contact the R & T Agents, M/s. Tata Share Registry Ltd., Unit: Pidilite Industries Ltd., Army & Navy Bldg., 148, Mahatma Gandhi Road, Fort, Mumbai 400 001.

EXPLANATORY STATEMENT (PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)

Item No. 8

The present term of appointment of Shri M.B.Parekh as the Managing Director is valid upto 31st July, 2003. The Board of Directors (the Board) of the company at their meeting held on 10th June, 2003 have re-appointed him as the Managing Director for a further period of 5 years with effect from 1st August, 2003 on following terms and conditions:

A. Salary:

Salary of Rs. Rs. 3,50,000 per month (Rupees Three Lac Fifty Thousand only) with first increment due on 1st April, 2004. The Board will decide the increment upto a ceiling of 15% of the salary. Subsequent increment will become due on 1st April every year and the Board will decide the increment upto 15% of the salary drawn in the immediate previous year.

B. Commission:

Shri M.B. Parekh shall be entitled to commission, the amount of it shall be determined by the Board from time to time based on the net profits of the company subject to overall ceiling laid down in Sections 198 and 309 of the Companies Act, 1956.

C. Special Allowance:

The amount shall be determined by the Board from time to time but shall not exceed the amount equivalent to the annual salary.

D. Perquisites/Benefits/Allowances:**i. Residential Accommodation:**

The company shall provide rent free furnished accommodation to Shri M.B. Parekh or shall give House Rent Allowance equivalent to 30% of the salary or shall provide combination of both.

ii. Contribution to Provident Fund, Payment of Superannuation/Gratuity:

a. Contribution to Provident Fund as per Rules of the company.

b. Shri M. B. Parekh will be entitled to Superannuation benefit as per Rules of the company. In lieu of Superannuation as per Rules of the company, the company may purchase Deferred Annuity Policy from Life Insurance Corporation of India or other institutions. Alternately the company shall make similar payment for any Pension Scheme.

c. Shri M. B. Parekh will be entitled to Gratuity payment as per Rules of the company.

iii. Other Perquisites/Allowances:

Following Perquisites/Allowances shall not exceed an amount equivalent to the annual salary:

a. Reimbursement of gas, electricity, water.

b. Furnishings/Furnitures/Equipments and Home Appliances.

c. Reimbursement of travel and stay expenses for proceeding on leave once a year in respect of self and family.

d. Reimbursement of membership fees/subscription for 2 clubs in India.

e. Medical and Personal Accident Insurance.

f. Other Allowances as may be approved by the Board from time to time.

iv. Following perquisites/benefits over and above the ceiling prescribed in (D) (iii) above:

a. Company's car/s with driver/s and/or other suitable conveyance facilities. Telephone and other communication facilities at residence.

b. Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation for self and family.

c. Encashment of unavailed earned leave as per Rules of the company.

Perquisites shall be evaluated as per Income Tax Rules where applicable.

Shri M. B. Parekh is a fit and proper person for the post of Managing Director. The terms and conditions of his appointment are fair and reasonable. It would be in the interest of the company to continue to avail services of Shri M.B.Parekh as Managing Director.

The members approval is required for the above under Schedule XIII and other applicable provisions of Companies Act, 1956. Shri M.B. Parekh is also acting as the Managing Director of M/s. Vinyl Chemicals (India) Ltd. (VCIL), and is drawing remuneration from VCIL.

The Board of Directors recommend the resolution for members approval.

This shall be treated as an abstract u/s 302 of the Companies Act, 1956.

Shri M.B. Parekh, Managing Director is interested as the above appointment pertains to him. Shri B.K.Parekh and Shri A.B.Parekh, being relatives of Shri M.B.Parekh are deemed to be concerned or interested in the same.

Item No. 9

The present term of appointment of Shri N.K. Parekh as the Joint Managing Director is valid upto 31st July, 2003. The Board of Directors (the Board) of the company at their meeting held on 10th June, 2003 have re-appointed him as the Joint Managing Director for a further period of 5 years with effect from 1st August, 2003 on following terms and conditions.

A. Salary:

Salary of Rs. 1,75,000 per month (Rupees One Lac Seventy Five Thousand only) with first increment due on 1st April, 2004. The Board will decide the increment upto a ceiling of 15% of the salary. Subsequent increment will become due on 1st April every year and the Board will decide the increment upto 15% of the salary drawn in the immediate previous year.

B. Commission:

Shri N. K. Parekh shall be entitled to commission, the amount of it shall be determined by the Board from time to time based on the net profits of the company subject to overall ceiling laid down in Sections 198 and 309 of the Companies Act, 1956.



C. Special Allowance:

The amount shall be determined by the Board from time to time but shall not exceed the amount equivalent to the annual salary.

D. Perquisites/Benefits/Allowances:

i. Residential Accommodation:

The company shall provide rent free furnished accommodation to Shri N.K. Parekh or shall give House Rent Allowance equivalent to 30% of the salary or shall provide combination of both.

ii. Contribution to Provident Fund, Payment of Superannuation/Gratuity:

- a. Contribution to Provident Fund as per Rules of the company.
- b. Shri N. K. Parekh will be entitled to Superannuation benefit as per Rules of the company.
- c. Shri N. K. Parekh will be entitled to Gratuity payment as per Rules of the company.

iii. Other Perquisites/Allowances :

Following Perquisites/Allowances shall not exceed an amount equivalent to the annual salary:

- a. Reimbursement of gas, electricity, water.
- b. Furnishings/Furnitures/Equipments and Home Appliances.
- c. Reimbursement of travel and stay expenses for proceeding on leave once a year in respect of self and family.
- d. Reimbursement of membership fees/subscription for 2 clubs in India.
- e. Medical and Personal Accident Insurance.
- f. Other Allowances as may be approved by the Board from time to time.

iv. Following perquisites/benefits over and above the ceiling prescribed in (D) (iii) above:

- a. Company's car/s with driver/s and / or other suitable conveyance facilities. Telephone and other communication facilities at residence.
- b. Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation for self and family.
- c. Encashment of unavailed earned leave as per Rules of the company.

Perquisites shall be evaluated as per Income Tax Rules where applicable.

Shri N. K. Parekh is a fit and proper person for the post of Joint Managing Director. The terms and conditions of his appointment are fair and reasonable. It would be in the interest of the company to continue to avail services of Shri N. K. Parekh as Joint Managing Director.

The members approval is required for the above under Schedule XIII and other applicable provisions of Companies Act, 1956.

The Board of Directors recommend the resolution for members approval.

This shall be treated as an abstract u/s 302 of the Companies Act, 1956.

Shri N. K. Parekh, Joint Managing Director is interested as the above appointment pertains to him. Shri B.K.Parekh, Shri H. K. Parekh and Shri S. K. Parekh, being relatives of Shri N.K.Parekh are deemed to be concerned or interested in the same.

Item No. 10

The present term of appointment of Shri A. B. Parekh as the Whole Time Director is valid upto 31st July, 2003. The Board of Directors (the Board) of the company at their meeting held on 10th June, 2003 have re-appointed him as the Whole Time Director for a further period of 5 years with effect from 1st August, 2003 on following terms and conditions:

A. Salary:

Salary of Rs. 1,50,000 per month (Rupees One Lac Fifty Thousand only) with first increment due on 1st April, 2004. The Board will decide the increment upto a ceiling of 15% of the salary. Subsequent increment will become due on 1st April every year and the Board will decide the increment upto 15% of the salary drawn in the immediate previous year.

B. Commission:

Shri A. B. Parekh shall be entitled to commission, the amount of it shall be determined by the Board from time to time based on the net profits of the company subject to overall ceiling laid down in Sections 198 and 309 of the Companies Act, 1956.

C. Special Allowance:

The amount shall be determined by the Board from time to time but shall not exceed the amount equivalent to the annual salary.

D. Perquisites/Benefits/Allowances:**i. Residential Accommodation:**

The company shall provide rent free furnished accommodation to Shri A. B. Parekh or shall give House Rent Allowance equivalent to 30% of the salary or shall provide combination of both.

ii. Contribution to Provident Fund, Payment of Superannuation/Gratuity:

- a. Contribution to Provident Fund as per Rules of the company.
- b. Shri A. B. Parekh will be entitled to Superannuation benefit as per Rules of the company.
- c. Shri A. B. Parekh will be entitled to Gratuity payment as per Rules of the company.

iii. Other Perquisites/Allowances:

Following Perquisites/Allowances shall not exceed an amount equivalent to the annual salary :

- a. Reimbursement of gas, electricity, water.
- b. Furnishings/Furnitures/Equipments and Home Appliances.
- c. Reimbursement of travel and stay expenses for proceeding on leave once a year in respect of self and family.
- d. Reimbursement of membership fees/subscription for 2 clubs in India.
- e. Medical and Personal Accident Insurance.
- f. Other Allowances as may be approved by the Board from time to time.

iv. Following perquisites/benefits over and above the ceiling prescribed in (D) (iii) above:

- a. Company's car/s with driver/s and/or other suitable conveyance facilities. Telephone and other communication facilities at residence.
- b. Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation for self and family.
- c. Encashment of unavailed earned leave as per Rules of the company.

Perquisites shall be evaluated as per Income Tax Rules where applicable.

Shri A. B. Parekh is a fit and proper person for the post of Whole Time Director. The terms and conditions of his appointment are fair and reasonable. It would be in the interest of the company to continue to avail services of Shri A.B. Parekh as Whole Time Director.

The members approval is required for the above under Schedule XIII and other applicable provisions of Companies Act, 1956.

The Board of Directors recommend the resolution for members approval.

This shall be treated as an abstract u/s 302 of the Companies Act, 1956.

Shri A.B. Parekh, Whole Time Director is interested as the above appointment pertains to him. Shri B.K. Parekh and Shri M.B. Parekh, being relatives of Shri A.B. Parekh are deemed to be concerned or interested in the same.

Item No. 11

Subject to approval of the members at the General Meeting, the Board of Directors at their meeting held on 10th June, 2003 have re-appointed Shri S. T. Dave as a Whole Time Director of the company for a further period of 2 years from 1st July, 2003.

Subject to the limits prescribed under Part II of Schedule XIII to the Companies Act, 1956, the said Whole Time Director shall be paid the following remuneration effective from 1st April, 2003:

I. Salary:

Salary of Rs. 52,752 p.m. Increment will become due on 1st April every year and the Board will decide the increment upto 15% of salary drawn in the immediate previous year.

II. City Compensatory Allowance: Rs. 18,002 p.m. and the Board is authorised to increase the same upto Rs. 20,500 p.m.**III. Special Allowance:** Rs. 56,608 p.m. and the Board is authorised to increase the same upto Rs. 57,500 p.m.**IV. Perquisites: (Subject to the ceiling of Rs. 7,00,000 p.a.)****i. Housing:**

- a. Free use of residential accommodation.
- b. The company shall provide such furniture, fixtures and furnishings as approved by the Board of Directors from time to time.



c. Reimbursement of expenses for Gas, Electricity, Water.

ii. Other Perquisites in such form and to such extent as may be decided by the Board of Directors or a Committee thereof.

V. Other Benefits:

Other benefits to Shri S. T. Dave shall include use of car (with driver) and telephone for the company's business at residence (the expenses whereof, excepting personal long distance calls, would be borne and paid by the company), contribution to Provident and Superannuation Funds and all other benefits as are applicable to senior employees of the company (including but not limited to gratuity, leave entitlement, encashment of leave, in accordance with the schemes of the company).

In accordance with the resolution, within the aforesaid limits, the amount of salary and perquisites payable to Shri S.T. Dave (including the types and amount of each type of perquisite) will be decided by the Board of Directors or a Committee from time to time as it may deem fit in its absolute discretion.

The valuation of perquisites will be as per the Income-tax Rules, 1962, in cases where the same is otherwise not possible to be evaluated.

The proposed remuneration payable is within the limits specified in Schedule XIII of the Companies Act, 1956. Members approval is required for the same under Schedule XIII and other applicable provisions of the Companies Act, 1956.

It would be in the interest of the company to continue to avail services of Shri S.T. Dave as Whole Time Director, who is functioning as Director (Factories Operations), in overall charge of all the factories of the company situated in the State of Maharashtra, Gujarat, Union Territory of Daman or any other State or Union Territory in India.

The Board of Directors recommend the resolution for members approval.

This shall be treated as an abstract u/s 302 of the Companies Act, 1956.

Except Shri S.T. Dave, no other Director is interested or concerned in this resolution.

Item No. 12

Shri Malay R. Parekh is B.Com., M.B.A. from Cardiff University, Wales, U.K. with specialisation in Marketing Strategy. He has been working with the company since 25th May, 2002. He is a relative of Shri H.K. Parekh, a Director of the company.

The Board of Directors at their meeting held on 10th June, 2003, subject to approval of the company have appointed Shri Malay R. Parekh as Dy. Manager w.e.f. 1st July, 2003 on the following terms and conditions:

I. Salary:

Salary of Rs. 11,450 p.m. with first increment due on 1st April, 2004. The Managing Director will decide the increment upto a ceiling of 15% of the salary. Subsequent increment will become due on 1st April every year and the Managing Director will decide increment upto 15% of salary drawn in the immediate previous year.

II. Perquisites:

A. Allowances:

- a. House Rent Allowance Rs. 6,090 p.m.
- b. Managerial Allowance Rs. 6,765 p.m.
- c. Conveyance Rs. 1,400 p.m.
- d. Special Allowance Rs. 2,085 p.m. with power to the Managing Director to allocate this amount in aforesaid allowances or other allowances/perquisites as applicable to other Dy. Managers.

He will be paid above allowances at such revised rates as per rules of the company from time to time.

B.i. As per rules of the company, following perquisites, as applicable to Dy. Managers:

- a. Contribution to Provident Fund, Superannuation Fund and Gratuity Fund.
- b. Leave Travel Assistance for self and family.
- c. Medical benefits, Personal Accident Benefit.
- d. Encashment of unavailed leave.

ii. Such other benefits and perquisites and allowances as may be applicable to Dy. Managers from time to time.

The total monthly remuneration payable to Shri Malay R. Parekh shall not exceed Rs. 50,000 or such other higher permissible total monthly remuneration as may be prescribed from time to time under the provision of Section 314 of the Companies Act, 1956.

Perquisites shall be valued as per Income-tax Rules where applicable.