

NOTICE

NOTICE is hereby given that the SIXTH ANNUAL GENERAL MEETING of the Members of the Company will be held on **Monday, the 28th September, 1998** at **1.00 p.m. at The Sadanand Hotel, Rajpipla Road, Ankleshwar - 393 002, Gujarat** to transact the following business.

ORDINARY BUSINESS

1. To consider and adopt the Profit and Loss Account of the company for the year ended 31st March, 1998 and the Balance Sheet as at that date, together with Directors and Auditors Report thereon.
2. To appoint a director in place of Shri Suman S. Lad who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Shri Joseph V. Vedamuthu who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS

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

“RESOLVED THAT the pursuant to the recently pronounced guideline no. SMDRP/CIR/14/98 dated 29th April, 1998 of SEBI regarding delisting of shares from a stock exchange and subject to the approval of SEBI and the concerned stock exchanges, the consent of the Company is hereby accorded to the Board to delist the shares of the Company from Saurashtra Kutch Stock Exchange Limited & Pune Stock Exchange Limited with effect from 31st December, 1998 and to all acts, things, deeds necessary and expedient in complying with the said guidelines for delisting of the shares.”

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

“RESOLVED THAT the Company hereby accords its approval and consent under section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and all other applicable statutory provisions, if any, to the re-appointment of Mr. Lalit Damodar Mehta as Managing Director

of the Company and to his receiving remuneration, benefits and amenities for a period of 4 years & 7 months commencing from 1st September, 1998 to 31st March, 2003 upon the terms, conditions and stipulations contained in an agreement to be entered into between the Company and Mr. Lalit Damodar Mehta, a draft whereof is placed before the meeting and for the purposes of identification, is subscribed by the Chairman hereof, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement as may be agreed to between the Board of Directors and Mr. Lalit Damodar Mehta, provided however that the remuneration payable to Mr. Lalit Damodar Mehta shall not exceed the maximum limits for payment of managerial remuneration in accordance with the laws, policies, rules, regulations or guidelines in force from time to time.”

“RESOLVED FURTHER THAT the Board of Directors be and it is hereby authorised to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto”

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

“RESOLVED THAT the Company hereby accords its approval and consent under section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and all other applicable statutory provisions, if any, to the re-appointment of Mr. Champak Kantilal Parekh as Joint Managing Director of the Company and to his receiving remuneration, benefits and amenities for a period of 4 years & 7 months commencing from 1st September, 1998 to 31st March, 2003 upon the terms, conditions and stipulations contained in an agreement to be entered into between the Company and Mr. Champak Kantilal Parekh, a draft whereof is placed before the meeting and for the purposes of identification, is subscribed by the Chairman hereof, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement as may be agreed to between the Board of Directors and Mr. Champak Kantilal Parekh, provided however

that the remuneration payable to Mr. Champak Kantilal Parekh shall not exceed the maximum limits for payment of managerial remuneration in accordance with the laws, policies, rules, regulations or guidelines in force from time to time."

"RESOLVED FURTHER THAT the Board of Directors be and it is hereby authorised to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto"

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

"RESOLVED THAT the Company hereby accords its approval and consent under section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and all other applicable statutory provisions, if any, to the re-appointment of Mr. Rajesh Lalit Mehta as Whole-time Director - Finance of the Company and to his receiving remuneration, benefits and amenities for a period of 4 years & 7 months commencing from 1st September, 1998 to 31st March, 2003 upon the terms, conditions and stipulations contained in an agreement to be entered into between the Company and Mr. Rajesh Lalit Mehta, a draft whereof is placed before the meeting and for the purposes of identification, is subscribed by the Chairman hereof, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement as may be agreed to between the Board of Directors and Mr. Rajesh Lalit Mehta, provided however that the remuneration payable to Mr. Rajesh Lalit Mehta shall not exceed the maximum limits for payment of managerial remuneration in accordance with the laws, policies, rules, regulations or guidelines in force from time to time."

"RESOLVED FURTHER THAT the Board of Directors be and it is hereby authorised to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto"

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

"RESOLVED THAT the Company hereby accords its approval and consent under section 198, 269, 309 and other applicable provisions, if any, of the

Companies Act, 1956 and all other applicable statutory provisions, if any, to the re-appointment of Mr. Hitesh Champak Parekh as Whole-time Director - Technical of the Company and to his receiving remuneration, benefits and amenities for a period of 4 years & 7 months commencing from 1st September, 1998 to 31st March, 2003 upon the terms, conditions and stipulations contained in an agreement to be entered into between the Company and Mr. Hitesh Champak Parekh, a draft whereof is placed before the meeting and for the purposes of identification, is subscribed by the Chairman hereof, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement as may be agreed to between the Board of Directors and Mr. Hitesh Champak Parekh, provided however that the remuneration payable to Mr. Hitesh Champak Parekh shall not exceed the maximum limits for payment of managerial remuneration in accordance with the laws, policies, rules, regulations or guidelines in force from time to time."

"RESOLVED FURTHER THAT the Board of Directors be and it is hereby authorised to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto"

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY OR PROXIES SO APPOINTED NEED NOT BE A MEMBER OR MEMBERS, AS THE CASE MAY BE, OF THE COMPANY.
2. Proxies, if any, in order to be effective, must be received at the Registered Office of the Company at Plot No. A2/3445, GIDC Phase IV, Ankleshwar - 393 002, Gujarat, not less than 48 hours before the commencement of the meeting. Proxies shall not have any right to speak at the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed for a period of ten days from 19th September, 1998 to 28th September, 1998 (both days inclusive).
4. Members are requested to kindly notify to The Share & Secretarial Department, Samrat Pharmachem Limited, Saroj Bhuvan, Ground floor, Near

Bhangwadi Shopping Arcade, Kalbadevi Road, Mumbai 400 002, immediately of any change in their addresses.

5. Members are requested to quote their Folio Numbers in all their correspondence.
6. Members desirous of having any information regarding accounts are requested to write to the Company at least 7 days in advance of the date of Annual General Meeting so as to enable the Management to keep the information ready.
7. Members are requested to bring their copies of the Annual Report to the Meeting.
8. Members are requested to bring with them the attendance slip and hand it over at the entrance duly signed by them.

By Order of the Board of Directors

Lalit Mehta
Managing Director

Champak Parekh
Jt Managing Director

Place : Mumbai
Dated : 1st August, 1998

ANNEXURE TO NOTICE

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

Item No. 5

SEBI has recently promulgated guidelines for delisting of shares from the stock exchange where the shares of the Company are either not quoted or thinly traded.

The Board has observed that the shares of the Company are rarely traded on the Saurashtra Kutch Stock Exchange Limited & Pune Stock Exchange Limited and hence the Board recommends delisting of the shares of the Company from these two stock exchanges. This requires the permission of the shareholders at the General Meeting

by passing a special resolution.

None of the Director of the Company is interested or concerned in the said Resolution.

Item No. 6, 7, 8, 9

At the meeting of the Board of Directors held on 31st July, 1998, the following four whole-time directors were re-appointed for the period of four years and seven months with effect from 1st August, 1998 to 31st March, 2003 :

Name of Director	Re-appointed as
Mr. Lalit D. Mehta	Managing Director
Mr. Champak K. Parekh	Joint Managing Director
Mr. Rajesh L. Mehta	Wholetime Director (Finance)
Mr. Hitesh C. Parekh	Wholetime Director (Technical)

Nature of Duties

Mr. Lalit D. Mehta, Managing Director, shall look after the overall business, administrative, commercial, marketing, technical, financial matters and such other related functions of the Company.

Mr. Champak K. Parekh, Joint Managing Director, shall look after the overall business, administrative, commercial, marketing, technical, financial matters and such other related functions of the Company.

Mr. Rajesh L. Mehta, Wholetime Director (Finance), shall look after the financial matters and such other related functions of the Company.

Mr. Hitesh C. Parekh, Wholetime Director (Technical), shall look after the technical matters and such other related functions of the Company.

Remuneration

The directors shall be entitled to the following emoluments, benefits and perquisites during the period of their employment subject to the ceiling limits laid down in Section 198, Section 309 and Schedule XIII of the Companies Act, 1956.

Salary

Director	Salary Scale
Mr. Lalit D. Mehta	Rs. 11,000-1,000-13,000
Mr. Champak K. Parekh	Rs. 11,000-1,000-13,000
Mr. Rajesh L. Mehta	Rs. 9,000-1,000-11,000
Mr. Hitesh C. Parekh	Rs. 9,000-1,000-11,000

Perquisites

Perquisites shall be restricted to an amount equal to annual salary. The perquisites payable to the Managing Director, Joint Managing Director, Wholetime Director (Finance) and Wholetime Director (Technical) are as under :

The Company shall provide for, or pay the expenses for, a car with driver and telephone facility at the residence of the Managing Director, Joint Managing Director, Wholetime Director (Finance) and Wholetime Director (Technical). Provision of, or payment of expenses of, a car for use on the Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purposes shall be billed by the Company to the director.

Minimum Remuneration : Where in any financial year, the Company has no profits or its profits are inadequate, the remuneration payable will be in accordance with the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956, as may be amended from time to time.

In the event of any increase in the limits of the emoluments, benefits and perquisites payable in accordance with the laws, policies, rules, regulations or guidelines in force from time to time, the Company may, in its discretion, increase the remuneration payable to them, subject to obtaining such approvals as may be required.

Sitting Fees : No sitting fees will be paid to the appointee for attending the meeting of the Board of Directors or committee thereof of the Company.

Other Terms

- a) They shall not become interested or otherwise be concerned directly or through their spouse and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
- b) They shall be entitled to re-imbusement of all actual travelling, lodging & boarding expenses and entertainment expenses reasonably incurred in connection with the business of the Company.
- c) They shall observe secrecy with regard to information acquired by him in the course of his appointment and shall not use the same for his own purpose either during the currency of this agreement or thereafter.

In compliance with the applicable provisions of the Companies Act, 1956, Ordinary Resolution in terms as

set out in items 6, 7, 8 & 9 of the accompanying Notice are now being placed before the Members in the General Meeting for their approval.

Except Mr. Lalit Damodar Mehta, Mr. Champak Kantilal Parekh, Mr. Rajesh Lalit Mehta and Mr. Hitesh Champak Parekh no other Director of the Company is concerned or interested in the said Ordinary Resolutions.

This Explanatory Statement is and should be treated as an abstract under section 302 of the Companies Act, 1956, of the Agreements to be entered into between the Company and Mr. Lalit Damodar Mehta, Mr. Champak Kantilal Parekh, Mr. Rajesh Lalit Mehta and Mr. Hitesh Champak Parekh

By Order of the Board of Directors

Lalit Mehta
Managing Director

Champak Parekh
Jt Managing Director

Place : Mumbai

Dated : 1st August, 1998