



**Maharashtra Safe Chemists
& Distributors Alliance Ltd.**

MSCDA LTD

**2nd Annual Report
2007-2008**

COMPANY INFORMATION

BOARD OF DIRECTORS

Jagannath S. Shinde

Chairman

Anil H. Navandar

Vice – Chairman

Vaijanath E. Jagushte

Managing Director

Vinay S. Shroff

Amarjeet H. Sobti

Pramod H. Lele

Ravindra M. Savant

Sudhir W. Deshpande

Hukamraj M. Mehta

Mahesh M. Parekh

CORPORATE INFORMATION

AUDITORS

P.H. Sanghavi & Co.
Chartered Accountants
4/95, Nityanand Nagar No. IV,
Swami Nityanand Marg,
Opp. Andheri Station (East),
Mumbai – 400 069.

SOLICITORS & ADVOCATES:

Yusufs & Associates

PRINCIPAL BANKERS

Bank of India

REGISTERED & CORPORATE OFFICE

6th Floor, Corporate Park – II,
V. N. Purav Marg, Chembur,
Mumbai – 400 071.
Tel : +91 022 67730000
Fax : +91 022 25273473

REGISTRAR AND SHARE TRANSFER AGENT

Intime Spectrum Registry Ltd.
C-13, Pannaal Silks Mills Compound,
L.B.S. Marg, Bhadup (West),
Mumbai – 400 078.
Tel. (022) – 2565 3838
Email : isrl@intimespectrum.com

COMPANY SECRETARY

Sangeeta Ajithan

NOTICE

NOTICE is hereby given that the 2nd Annual General Meeting of the Members of MAHARASHTRA SAFE CHEMISTS & DISTRIBUTORS ALLIANCE LIMITED will be held on Tuesday, December 30, 2008 at 3.30 p.m. at Kohinoor Mangal Karyalay, Kohinoor Park, Opp. Dadar Railway Station, Dadar (East), Mumbai – 400 014 to transact the following businesses:

I. Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2008, the Profit and Loss Account for the year ended March, 31, 2008 and the Reports of the Directors' and the Auditors thereon.
2. To Declare a Dividend.
3. To appoint a Director in place of Mr. Jagannath S. Shinde, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Vajjanath E. Jagushte, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Anil H. Navandar, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint M/s P. H. Sanghavi & Co., Chartered Accountants, the retiring Auditors of the Company, as Statutory Auditors, who shall hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration and in this regard to consider, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s P.H. Sanghavi & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting of the Company, on a remuneration to be fixed by the Board of Directors of the Company."

II. Special Business:**7. Appointment of Mr. Mahesh M. Parekh as a Director**

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

"RESOLVED THAT Mr. Mahesh M. Parekh, in respect of whom the Company has received Notices in writing, from some of its Members proposing him as a candidate for the office of Director under the provisions of Section 257 of the Companies Act, 1956, and who is eligible for appointment to the office of the Director, be and is hereby appointed a Director of the Company and liable to retire by rotation."

8. Appointment of Mr. Hukamraj M. Mehta as a Director

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

"RESOLVED THAT Mr. Hukamraj M. Mehta, in respect of whom the Company has received Notices in writing, from some of its Members proposing him as a candidate for the office of Director under the provisions of Section 257 of the Companies Act, 1956, and who is eligible for appointment to the office of the Director, be and is hereby appointed a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute its powers, including the powers conferred by this Resolution) be and is hereby authorized to execute / undertake any of the objects incidental or ancillary related to the business for attainment of the main objects of the Memorandum of Association."

And that the Board be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such deals from time to time as they may think fit."

For and on behalf of the Board of Directors

Registered Office:

6th Floor, Corporate Park – II,
V.N. Purav Marg,
Chembur, Mumbai – 400 071.

(Jagannath S. Shinde)
Chairman

Place : Mumbai

Date : 4th December, 2008

Notes:

1. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. Members/proxies are requested to bring their copy of the Annual Report and the Attendance Slips sent herewith to attend the Annual General Meeting.
4. Subject to the provisions of Section 206A of the Companies Act, 1956, dividend as recommended by the Board of Directors, if approved at the Annual General Meeting, will be paid after 30th December, 2008, to those Members whose names shall appear on the Company's Register of Members as on the close of business hours on 30th December, 2008.
5. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 days in advance of Annual General Meeting so as to enable the management to keep the information available at the Meeting.
6. Members are requested to immediately intimate the change, if any, to the registered office.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. The Register of Members and Transfer Books will remain close from Saturday, December 6, 2008 to Tuesday, 30th December, 2008 (both days inclusive) for determining the names of Members eligible for dividend on Equity Shares, if declared at the Meeting.

Explanatory statement pursuant to the provisions of section 173 (2) of the Companies Act, 1956

ITEM NO. 7

Mr. Mahesh M. Parekh was appointed as Additional Director of the Company w.e.f. 27th June, 2008. He holds the office up to the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956.

The Company has received from some of the Members, Notices under Section 257 of the said Act along with the deposit of Rs. 500/- each signifying their intention to propose the name of Mr. Mahesh M. Parekh for appointment as a Director of the Company.

Mr. Mahesh M. Parekh who has vast knowledge and experience in the field of Pharma Industry in distribution channel system, will be of immense benefit to the Company.

Your Directors recommend the appointment of Mr. Mahesh M. Parekh and seek your approval to the resolution as set out in item no. 7 of the accompanying notice by way of Ordinary Resolution.

ITEM NO. 8

Mr. Hukamraj M. Mehta was appointed as Additional Director of the Company w.e.f. 5th March, 2008. He holds the office up to the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956.

The Company has received from some of the Members, Notices under Section 257 of the said Act along with the deposit of Rs. 500/- each signifying their intention to propose the name of Mr. Hukamraj M. Mehta for appointment as a Director of the Company.

Mr. Hukamraj Mehta who has vast knowledge and experience in the field of Pharma Industry in distribution channel system will be of immense benefit to the Company.

Your Directors recommend the appointment of Mr. Hukamraj M. Mehta and seek your approval to the resolution as set out in item no. 8 of the accompanying notice by way of Ordinary Resolution.

ITEM NO.9

By keeping in view of the applicable provisions of the Companies Act, 1956, it is proposed to authorise the Board of Directors of your Company to take up any one or more activities as set out in clause III (B) of the Memorandum of Association.

Your Directors therefore recommend the said resolution by abundant precaution as a good corporate governance as set out in item no. 9 of the accompanying notice by way of Special Resolution.

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

Registered Office:

6th Floor, Corporate Park - II
V. N. Purav Marg,
Chembur, Mumbai - 400 071.

Place: Mumbai

For and on behalf of the Board of Directors

(Jagannath S. Shinde)
Chairman

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 2nd Annual Report and the audited accounts for the financial year ended 31st March, 2008.

Financial Results

The financial performance of the Company for the financial year ended March 31, 2008 is summarized below:

	2006 - 2007	2007 - 2008
Total Income	6,09,65,315	101,43,927
Total Expenditure	93,66,342	45,13,165
Profit/ (Loss) Before Tax	515,98,973	56,30,762
Less: Provision for Taxation	1,71,00,000	23,25,000
Less: Provision for FBT	1,05,000	0
Profit /(Loss) After Tax	343,93,973	33,05,762
Add: Amount b/f from previous year	35,92,364	0
Less: Deferred tax expense/(income)	11,99,381	(286,602)
Less: Prior period adjustment	90,000	0
Amount available for appropriation	366,96,956	35,92,364
General Reserve	9,00,000	0
Dividend on Equity Shares	140,18,478	0
Dividend on Preference Shares	121,35,996	0
Dividend distribution tax	44,44,953	0
Balance carried to Balance Sheet	51,97,529	35,92,364

Dividend

Your Directors are pleased to recommend dividend of 4% on Equity shares. Further, a dividend of 8% is provided for Preference shareholders.

Review of Operations

Your Company during the year under review achieved a total income of Rs. 6.09 crores. This amount comprised of income from operations of Rs. 1.82 crores and other income of Rs. 4.27 crores.

Business outlook

Your Company during the six months ended Sept, 2008 achieved gross income of Rs. 2.81 crores. The income mainly comprises of operational income of Rs. 1.04 crores and interest income of Rs. 1.77 crores. Further, Your Company has also entered into contracts with a few pharmaceutical Companies to carry out their clearing and forwarding operations. Your Company is in discussion with various pharmaceutical/consumer products Companies for exploring various business opportunities. Keeping in line with the trends and requirements of the distribution industry, Your Company has also been successful implementing SAP across its operations.

Subsidiaries

During the year under review your Company has acquired 83.33% shareholding – Guardian Remedies Pvt. Ltd. - 37500- Equity shares.

Directors

In terms of Articles of Association of the Company and the relevant provisions of the Companies Act, 1956, Mr. Jagannath S. Shinde, Mr. Vajjanath E. Jagushte & Mr. Anil H. Navandar retire by rotation and being eligible, offers themselves for re-appointment at the ensuing Annual General Meeting.

The Board, at its meeting held on June 27, 2008, appointed Mr. Mahesh M. Parekh and at its meeting held on March 5, 2008, appointed Mr. Hukamraj M. Mehta as additional Directors who holds office up to the date of the ensuing Annual General Meeting (AGM) and who have given their consent in writing be and are hereby appointed as Retiring Directors pursuant to Section 256 of the Companies Act, 1956.

