

# Maharashtra Safe Chemists And Distributors Alliance Limited



**MSCDA**

**4th Annual Report  
2009 - 2010**

**COMPANY INFORMATION****BOARD OF DIRECTORS**

MR. JAGANNATH S. SHINDE	CHAIRMAN
MR. ANIL H. NAVANDAR	VICE – CHAIRMAN
MR. VAIJANATH E. JAGUSHTE	MANAGING DIRECTOR
MR. VINAY S. SHROFF	DIRECTOR
MR. AMARJEET H. SOBTI	DIRECTOR
MR. PRAMOD H. LELE	DIRECTOR
MR. RAVINDRA M. SAVANT	DIRECTOR
MR. SUDHIR W. DESHPANDE	DIRECTOR
MR. HUKAMRAJ M. MEHTA	DIRECTOR
MR. MAHESH M. PAREKH	DIRECTOR

**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 &amp; ASSOCIATES

**PRINCIPAL BANKERS**

BANK OF INDIA

HDFC BANK

**REGISTERED & CORPORATE OFFICE**

6<sup>th</sup> 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****Link Intime India Pvt. Ltd.**

C-13, Pannalal Silks Mills Compound,  
L.B.S. Marg, Bhandup (West),  
Mumbai – 400 078.  
Tel. (022) – 2565 3838  
Email : [www.linkintime.co.in](http://www.linkintime.co.in)

**COMPANY SECRETARY**

Ms. Sangeeta Ajithan

**NOTICE**

NOTICE is hereby given that the Fourth Annual General Meeting of the Members of MAHARASHTRA SAFE CHEMISTS & DISTRIBUTORS ALLIANCE LIMITED will be held on Monday, 20<sup>th</sup> day of September, 2010 at 3.00 p.m. at Dr. M.S. Subbulakshmi Auditorium/ Essar Hall, Plot H. Bhaudaji Road, Behind Kings Circle (Railway Station/ SIES School), Sion (West), Mumbai – 400 022 to transact the following businesses:

**I. ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the audited Balance Sheet as at March 31, 2010, the Profit and Loss Account for the year ended March 31, 2010 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Preference Shares.
3. To declare dividend on Equity Shares.
4. To appoint a Director in place of Mr. Ravindra M. Savant, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Sudhir W. Deshpande, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. Mahesh M. Parekh, who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint Auditors 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** pursuant to Section 224 of the Companies Act, 1956, M/s P.H. Sanghavi & Co., Chartered Accountants, the retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors of the Company.”

**II. SPECIAL BUSINESS :**

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

“**RESOLVED THAT** Mr. Hukamraj M. Mehta who was appointed as Additional Director by the Board to hold office up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and being eligible offers himself for appointment and in respect of whom a Notice under section 257 of the Companies Act, 1956 has been received from a Member signifying his intention to propose, Mr. Hukamraj M. Mehta as a candidate for the office of the Director be and is hereby elected and appointed as a Director of the Company, liable to retire by rotation.”

For and on behalf of the Board

**Registered Office:**

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

Sd/-  
(Jagannath S. Shinde)  
CHAIRMAN

Place : Mumbai

Date : 29<sup>th</sup> July, 2010

**NOTES:**

1. The relative Explanatory statement as required under 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. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members/proxies are requested to bring their Attendance Slip along with their copy of Annual Report to attend the Annual General Meeting.

5. 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.
6. Members holding shares in single name are advised to make nomination in respect of their shareholding in the Company.
7. Members who hold shares in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificate to the Company at 6<sup>th</sup> Floor, Corporate Park – II, V.N. Purav Marg, Chembur, Mumbai – 400 071 for consolidation into a single folio.
8. The dividend on Preference Shares and Equity Shares, if declared at the Meeting, will be paid on or after 30<sup>th</sup> September, 2010 to those members whose names shall appear on the Company's Register of Members on 20<sup>th</sup> September, 2010.
9. In terms of Article 155 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Mr. Ravindra M. Savant, Mr. Sudhir W. Deshpande and Mr. Mahesh M. Parekh, Directors retire by rotation at the ensuing Meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company recommends their respective re-appointments.
10. 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.
11. Members are requested to immediately intimate the change, if any, to the registered office.
12. **Members are advised to refer to the Shareholders' Reference provided in the Annual Report.**

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

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

#### ITEM NO. 8

The Board of Directors of the Company (the 'Board'), at its meeting held on July 29, 2010 appointed Mr. Hukamraj Mehta as an additional director effective July 29, 2010 pursuant to the provisions of Section 260 of the Companies Act, 1956 (the 'Act').

In terms of the provisions of Section 260 of the Act, Mr. Hukamraj Mehta would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith deposit of Rs. 500/- for proposing the candidature of Mr. Hukamraj Mehta for the office of Director of the Company under the provisions of Section 257 of the Act.

Mr. Hukamraj Mehta is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Act.

Mr. Hukamraj Mehta is interested in the Resolution as set out at Item No. 8. of the Notice which pertains to his appointment and remuneration payable to him. Save and except Mr. Hukamraj Mehta none of the other Directors of the Company is, in any way, concerned or interested in the Resolution.

The Board recommends the Resolution as set out at Item No. 8 of the Notice for your approval.

For and on behalf of the Board

#### Registered Office:

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

Sd/-  
(Jagannath S. Shinde)  
CHAIRMAN

Place : Mumbai

Date : 29<sup>th</sup> July, 2010

**DIRECTORS' REPORT**

To,

Dear Shareholders,

Your Directors are pleased to present the 4<sup>th</sup> Annual Report together with the audited accounts of the Company for the financial year ended 31<sup>st</sup> March, 2010.

**Financial Results**

The financial performance of the Company for the financial year ended 31<sup>st</sup> March, 2010 is summarized below:

	(Rs. In Lacs)	
	2009-2010	2008-2009
<b>Total Income</b>	<b>1408.18</b>	<b>734.52</b>
Total Expenditure	935.35	353.47
<b>Profit/ (Loss) Before Tax</b>	<b>472.83</b>	<b>381.05</b>
Less: Provision for Taxation	162.00	125.00
Less: Provision for FBT	-	2.80
Less: Deferred tax expense/(Income)	<b>(0.67)</b>	5.28
<b>Profit /(Loss) After Tax</b>	<b>311.50</b>	<b>247.97</b>
Add: Prior period adjustment	5.04	-
Add: Amount b/f from previous year	68.96	51.98
<b>Amount available for appropriation</b>	<b>385.50</b>	<b>299.95</b>
General Reserve *	8.00	7.00
Dividend on Equity Shares	140.18	70.09
Dividend on Preference Shares	121.36	121.36
Dividend Distribution Tax	44.45	32.54
<b>Balance carried to Balance Sheet</b>	<b>71.51</b>	<b>68.96</b>

**Results of Operations:**

During the year, the turnover of the Company increased from Rs. 734.52 Lacs to Rs. 1408.18 Lacs. Profit before Tax also increased from Rs. 381.05 Lacs to Rs. 472.83 Lacs during the Current Year.

Your Company has been operating as logistic facilitator/ distributor for Pharma Companies and during the year added new Pharma Companies for providing the logistic services as consignee agent / C & F agents.

Your Company has continued systematic training to retailers at various levels in order to facilitate and start organized Pharma Retail Chain in the coming years.

Considering the market situation and various initiatives taken by the management, your Directors expect substantial improvement in the business and in profitability of the Company for the Current year. Your Directors are confident to explore better market in the years to come.

Your Company is planning to enter in Ethical Pharma Business for high value and Critical Care Products which should provide sustainable growth year after year.

Your Company has plans to restructure the 'Sangam Division' and spread its wings in other States to do a volume business.

**Dividend**

Your Directors have recommended a dividend of 8% on Preference Shares i.e. Rs. 140.18 Lacs and 4% on Equity shares i.e. Rs. 121.36 Lacs (last year 8% on Preference Shares and 2% on Equity Shares) for the financial year ended 31<sup>st</sup> March, 2010, total amounting to Rs.305.99 Lacs (inclusive of tax of Rs.44.45 Lacs). The dividend if declared will be paid to members whose names appear in the Register of Members as on 20th September, 2010.

**Subsidiaries**

The Company has one subsidiary Company – Guardian Remedies Pvt. Ltd.

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Company is given in Annexure to the report.

**Deposits**

The Company has not accepted or renewed any deposits within the meaning of the Companies (Acceptance of Deposits) Rules, 1975 during the year under review.

**Directors**

Mr. Hukamraj Mehta was appointed as an additional Director effective from 29<sup>th</sup> July, 2010. In terms of Section 260 of the Companies Act, 1956 he shall hold office only upto the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing candidature for the office of Director liable to retire by rotation.

Mr. Ravindra Savant, Mr. Sudhir W. Deshpande and Mr. Mahesh Parekh, Directors, retire by rotation and being eligible; offer themselves for re-appointment at the ensuing Annual General Meeting.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2010, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2010 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

**Audit Committee**

Audit Committee comprises of Mr. Ravindra M. Savant as a Chairman including other members viz. Mr. Pramod H. Lele and Mr. Vaijanath E. Jagushte, Managing Director.

**Auditors**

M/s. P.H. Sanghavi & Co., Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

The Company has received letter from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of Section 226 of the said Act, as also indicated their willingness to be re-appointed..

The Notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

**Auditors' Report**

Pursuant to the requirement under Section 217(3) of the Companies Act, 1956, the Directors state with reference to Auditors' Remarks as follows:

