

Annual Report

MSCDA Ltd.

13th Annual Report : 2018-2019

Maharashtra Safe Chemists And Distributors Alliance Limited



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COMPANY INFORMATION

13TH ANNUAL REPORT 2018-19

CIN U24239MH2006PLC165149

BOARD OF DIRECTORS

MR. JAGANNATH S. SHINDE

MR. JUGALKISHOR TAPADIYA

MR. RAVINDRA M. SAVANT

MR. PARARI ATHMARAM PATIL

MR. VIJAY PANDURANG PATIL *

[*Appointed as Additional Director on 15th February, 2019]

MR. DEVESH AMUBHAI PATHAK*

[*Appointed as Additional Director on 28th August, 2019]

CHAIRMAN

MANAGING DIRECTOR

INDEPENDENT DIRECTOR

INDEPENDENT DIRECTOR

ADDITIONAL DIRECTOR

ADDITIONAL DIRECTOR

CORPORATE INFORMATION

COMPANY SECRETARY

CHIEF FINANCIAL OFFICER

WEBSITE

AUDITORS

PRINCIPAL BANKERS

REGISTERED & CORPORATE OFFICE

REGISTRAR AND SHARE TRANSFER AGENT

SECRETARIAL AUDITOR

MS. ADITI BHOR

MR. DHAWAL BHARWADA

www.mscdaltd.in

Mitesh Mehta & Associates

Chartered Accountants

423, Lamington Road, ,

2nd Floor, opera House,

Mumbai – 400 004

Tel : 91-22-30728380

Email :- helpdesk@miteshmehtaaca.com

BANK OF INDIA

HDFC BANK

YES BANK

6th Floor, Corporate Park – II,

V. N. Purav Marg, Chembur,

Mumbai – 400 071.

Tel : +91 022 67730000

Fax : +91 022 25273473

Website : www.mscdaltd.com

Link Intime India Pvt. Ltd.

C-101, 247 Park, L.B.S. Marg

Vikhroli (West), Mumbai – 400 083.

Tel. (022) – 49186270

Website : www.linkintime.co.in

Deepa Gupta

Practicing Company Secretary

ACS NO.:20860/CP NO.:8168

512, Bawla Building, Muktai CHS,

Dattaram Lad Road,

Chinchpokali, Mumbai – 400012.

Tel: 9004745556

NOTICE

Notice is hereby given that the 13th Annual General Meeting of the members of MAHARASHTRA SAFE CHEMISTS AND DISTRIBUTORS ALLIANCE LIMITED will be held on Monday, September 30, 2019 at 11.00 AM Matunga Gujarati Club Limited, 4 Nathalal Parekh Marg, Near Arora Cinema, Matunga Central Railway, Matunga(East), Mumbai – 400 019 to transact the following businesses:

I. ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statement of the Company for the financial year ended 31st March, 2019 together with the Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of **Mr. Jagannath Shinde (DIN 01435827)**, who retires by rotation and, being eligible, offers himself for re-appointment.

II. SPECIAL BUSINESS:

3. To consider and if thought fit, to pass the following resolution as an ordinary Resolution:
To regularize the appointment of **Additional Non Executive Director, Mr. Vijay Pandurang Patil**

“RESOLVED THAT pursuant to the provisions of Sections 152 and any other applicable provisions of the Companies Act, 2013(“Act”) and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), **Mr. Vijay Pandurang Patil (DIN: 06708245)** who is appointed as Additional Non Executive Director of the Company by the Board of Directors of the Company, who holds office till the date of ensuing AGM in terms of section 161 of Companies Act 2013 and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act 2013, and is hereby appointed as Non Executive Director.

RESOLVED FURTHER THAT any of the Directors of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be necessary to give full effect to this resolution.”

4. To consider and if thought fit, to pass the following resolution as an ordinary Resolution:

To regularize the appointment of **Additional Independent Director, Mr. Devesh Amubhai Pathak**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013(“Act”) and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, **Mr. Devesh Amubhai Pathak (DIN 00017515)** who is appointed as Additional Independent Director of the Company by the Board of Directors of the Company, who holds office till the date of ensuing AGM in terms of section 161 of Companies Act 2013 and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act 2013, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for another five consecutive years for a term up to 29th September, 2024.

RESOLVED FURTHER THAT any of the Directors of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be necessary to give full effect to this resolution.”

5. To consider and if thought fit, to pass the following resolution as a Ordinary Resolution:

To reappoint **Mr. Jugalkishor Kisanlal Tapadiya as Managing Director;**

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to re-appoint **Mr. Jugalkishor Kisanlal Tapadiya (DIN: 06965097)** as Managing Director, designated as Executive Director of the Company, for a further term of 5 (five) years upto 29th September 2024 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall include the Human Resources, Nomination

and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit;

RESOLVED FURTHER THAT any of the Directors of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be necessary to give full effect to this resolution.”

For and on behalf of the Board

Registered Office:
6th Floor, Corporate Park – II,
V.N. Purav Marg,
Chembur, Mumbai – 400 071
Place: Mumbai
Date: 28th August, 2019

Sd/-
(Jagannath Shinde)
DIN 01435827
Chairman

Note: **M/s Mitesh Mehta & Associates, Chartered Accountants**, Mumbai were appointed as the Statutory Auditors of the Company by the shareholders of the Company at their 11th Annual General Meeting held on 27th September, 2017 to hold office from the conclusion of the 11th Annual General Meeting upto the conclusion of 16th Annual General Meeting. In line with amended Section 139(1) of the Companies Act, 2013 effective from 7th May, 2018, ratification of appointment of Auditors at every Annual General Meeting is no more necessary.

NOTES

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF. PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED AND RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 2) A person can act as proxy for and on behalf of members not exceeding 50 members and holding in aggregate not more than 10 percent of the total share capital of the company carrying voting rights. Member holding more than 10 percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.
- 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) 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.
- 5) The relative Explanatory Statement as required under Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 6) Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Annual General Meeting.
- 7) Members are requested to notify immediately any change in their address to the Company/ Company's Registrar and share transfer agents, Link Intime India Pvt. Ltd. (Link Intime)
- 8) Members holding shares in single name are advised to make nomination in respect of their shareholding in the Company.
- 9) Members are requested to register their e-mail ID's and Bank account details with the Secretarial Department of the Company/ Link Intime. If there is any change in the e-mail ID already registered with the Company, Members are requested to immediately notify such change to the Secretarial Department of the Company/ Link Intime.
- 10) Shareholders desirous of obtaining any information / clarification on the accounts and operations of the Company are requested to send in written queries to the Company, at least one week before the date of the meeting. Replies will be provided only in respect of such written queries received, at the meeting.
- 11) In terms of Article 173 of the Articles of Association of the Company, read with Section 152 of the Companies Act, 2013, Mr. Jagannath Shinde (DIN 01435827), Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment.
- 12) Process and manner for Members opting for e-voting are as under:-
 - I. In compliance with provisions of section 108 of Companies Act 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide Members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - II. Members are provided with the facility for voting through ballot paper at the AGM and Members attending the meeting who have not already cast their vote by remote e-voting are eligible to exercise their right to

vote at the meeting

- III. Members who have cast their vote by remote e-voting prior to the AGM are also eligible to attend the meeting but shall not be entitled to cast their vote again.
- IV. Members can vote through remote e-voting or through ballot paper at the venue in case they have not voted through remote e voting.
- V. The remote e-voting period commences on 27th September 2019 (9:00 a.m. IST) and ends on 29th September 2019 (5:00 p.m. IST). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 24th September 2019, may cast their vote by remote e-voting The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- VI. The process and manner for remote e-voting are as under:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

- 1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- 2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholders' section.
- 3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- 4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|--|
| a) For Members who hold shares in demat account with NSDL | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is In300*** and Client ID is 12***** then your user ID is IN300***12***** . |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12***** |
| c) For Members holding shares in Physical Form | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail jaymehtaandassociates@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsd.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
- VII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VIII. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date 24th September 2019
- IX. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. 24th September 2019
- X. may obtain the login ID and password by sending a request at evoting@nsdl.co.in or the Company/RTA

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

- XI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall
- XII. be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper
- XIII. Mr. Jay Mehta of Jay Mehta & Associates (FCS No – 8672), Company Secretaries have been appointed as the Scrutinizer for providing facility to the Members of the Company to scrutinize the voting and remote e-voting process including the ballot form received from the Members at the AGM who do not have access to the e-voting process, in a fair and transparent manner
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use ballot paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast at the meeting and, thereafter, unblock the votes cast through remote e-voting and also count the votes received through Ballot Forms, in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days from the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith
- XVI. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website viz. www.mscltd.com and on the website of NSDL immediately after the declaration of the result by the Chairman or a person authorized by him in writing.
- XVII. In case of grievances connected with facility for voting by electronic means, Members are requested to contact Ms Pallavi Mhatre, at evoting@nsdl.co.in or pallavid@nsdl.co.in or on 022 24994545. Members may also write to him at NSDL, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.

13) Members are requested to

- a) Intimate to the Company at the registered office address, changes, if any, at an early date.
- b) Quote their folio number in all correspondence.
- c) Consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.

14) Members may note that the Company's website is www.mscltd.com

EXPLANATORY STATEMENT SETTING OUT MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No.2

Details of **Mr. Jagannath Shinde, Director** retiring by rotation and being eligible for reappointment:

| | |
|---|---|
| Age | 69 Years |
| Qualifications | BA/ DBM/ D.Pharm |
| Experience | 43 years in Pharma Distribution and retail |
| Terms and Conditions of appointment | As Mutually agreed between Company and Mr.Jagannath Shinde. |
| Date of first appointment | 16/10/2006 |
| Shareholding in the Company | 1,40,100 Equity Shares |
| Relationship with other director/ Manager and other KMP | NA |
| Number of Board meetings attended during the financial year 2018-19 | 4 Board Meetings in financial year 2018- 19 held on : 14th July 2018, 26th October 2018, 15th February 2019, 30th March 2019. |
| Directorships/ Designated Partnership on other Boards/LLP's | <ol style="list-style-type: none"> 1) All Indian Origin Chemists and Distributors Limited 2) AIOCD Pharmasofttech Awacs Private Limited 3) Pravin Infotech & Engineers Private Limited 4) Arkenstone Healthcare LLP |
| Membership/Chairmanship of Committees of other Board | <p>All Indian Origin Chemists and Distributors Limited</p> <p>Committee Membership</p> <ol style="list-style-type: none"> 1) Audit Committee 2) Nomination and Remuneration Committee 3) Stakeholders Relationship Committee. |

Item No.3

To regularize the appointment of Additional Nonexecutive **Director, Mr. Vijay Pandurang Patil;**

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, **Mr. Vijay Pandurang Patil** as an Additional Non Executive Director of the Company with effect from 15th February, 2019. In terms of the provisions of Section 161(1) of the Act Mr. Vijay Pandurang Patil would hold office up to the date of the ensuing Annual General Meeting.

Except Mr. Vijay Pandurang Patil, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution.

As stipulated under Secretarial Standard-2, brief profile of **Mr. Vijay Pandurang Patil**, including names of Companies in which he holds directorships and memberships/chairmanships of Board Committees, is provided below in Table

| | |
|--|--|
| Age | 46 Years |
| Qualifications | D.Pharm |
| Experience | 25 years of experience in pharma retail and distribution |
| Terms and Conditions of appointment | Non Executive Director |
| Details of remuneration | Nil |
| Date of first appointment | 15th February, 2019. |
| Shareholding in the Company | Nil |
| Relationship with other director/ Manager and other KMP | Nil |
| Number of meetings attended during the financial year 2018 - 19 and till the date of the Notice this AGM | Nil |
| Directorships of other Board | Nil |
| Membership/Chairmanship of Committees of other Board | Nil |

The Board recommends the Resolution at Item No. 3 of the accompanying. Notice for approval by the Members of the Company.

Item No. 4

To regularize the appointment of Additional Independent **Director, Mr. Devesh Amubhai Pathak;**

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, **Mr. Devesh Amubhai Pathak** as an Additional Independent Director of the Company with effect from 28th August, 2019. In terms of the provisions of Section 161(1) of the Act **Mr. Devesh Amubhai Pathak** would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing along with the deposit of requisite amount under Section 160 of the Act proposing the candidature **Mr. Devesh Amubhai Pathak** for the office of Director of the Company **Mr. Devesh Amubhai Pathak** is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from **Mr. Devesh Amubhai Pathak** that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act possesses appropriate skills, experience and knowledge, inter alia, in the field of distribution services.

In the opinion of the Board, **Mr. Devesh Amubhai Pathak** fulfills the conditions for his appointment as an Independent Director as specified in the Act. **Mr. Devesh Amubhai Pathak** is independent of the management.

Copy of the draft letter for appointment of **Mr. Devesh Amubhai Pathak** as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to appoint and avail services of **Mr. Devesh Amubhai Pathak** as an Independent Director.

| | |
|---|---|
| Age | 61 |
| Qualifications | B.Com, Fellow Company Secretary, LLB, Certified Insolvency Practitioner. |
| Experience | 11 Years - Service as a Company Secretary 24 Years - Practising Company Secretary |
| Terms and Conditions of appointment | Independent Director |
| Details of remuneration | Nil |
| Date of first appointment | 28th August, 2019 |
| Shareholding in the Company relationship with other director/ | Nil |
| Manager and other KMP Number of meetings attended during the financial year 2018 - 19 and till the date of the Notice this AGM | NA NA |
| Directorships of other Board | Nil |
| Membership/Chairmanship of Committees of other Board | All Indian Origin Chemists and Distributors Limited Committee Membership / Chairmanship 1) Audit Committee 2) Nomination and Remuneration Committee |

The Board recommends the Resolution at **Item No. 4** of the accompanying. Notice for approval by the Members of the Company. Except **Mr. Devesh Amubhai Pathak**, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution.

Item No.5

To reappoint **Mr. Jugalkishor Kisanlal Tapadiya as Managing Director;**

The Board of Directors of the Company reappointed, , 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, **Mr. Jugalkishor Kisanlal Tapadiya** as Managing Director for a renewed term of 5 years upto 29th September 2024

Except **Mr. Jugalkishor Kisanlal Tapadiya**, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution.

As stipulated under Secretarial Standard-2, brief profile of **Mr. Jugalkishor Kisanlal Tapadiya**, including names of Companies in which he holds directorships and memberships/chairmanships of Board Committees, is provided below in Table

| | |
|---|--|
| Age | 56 Years |
| Qualifications | B.Com |
| Experience | 35 years of experience in pharma retail and wholesale |
| Terms and Conditions of appointment | As Mutually agreed between Company and Mr Jugalkishor Kisanlal Tapadiya |
| Date of first appointment | 03/09/2014 |
| Shareholding in the Company | 21000 Equity Shares |
| Relationship with other director/Manager and other KMP | NA |
| Number of Board meetings attended during the financial year 2018-19 | 4 Board Meetings in financial year 2018- 19 held on : 14th July 2018, 26th October 2018, 15th February 2019, 30th March 2019. |
| Directorships/Designated Partnership on other Boards/LLP's | 1) 9m Pharnalologic Private Limited 2) Somani Tapadiya Enterprises LLP |
| Membership/Chairmanship of Committees of other Board | NA |

For and on behalf of the Board

Registered Office:
6th Floor, Corporate Park – II,
V.N. Purav Marg,
Chembur, Mumbai – 400 071
Place: Mumbai
Date: 28th August, 2019

Sd/-
(Jagannath Shinde)
DIN 01435827
Chairman



Route Map For Annual General Meeting Venue

Matunga Gujarati Club Limited, 4 Nathalal Parekh Marg, Near Arora Cinema,
Matunga Central Railway, Matunga(East), Mumbai – 400 019

DIRECTORS' REPORT

To,
The Members,
Maharashtra Safe Chemists and Distributors Alliance Limited,
CIN- U24239MH2006PLC165149
Mumbai

Your Directors have pleasure in presenting their 13th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended on March 31, 2019.

1. FINANCIAL HIGHLIGHTS

(Amount in Rs.)

| Particulars | 01.04.2018 to 31.03.2019 | 01.04.2017 to 31.03.2018 |
|--|--------------------------|--------------------------|
| Total Income | 578,749,230 | 582,365,913 |
| Profit / (Loss) before Tax | 10,402,996 | 15,112,563 |
| Profit after deductions | 50,38,842 | 10,750,102 |
| Add : Balance brought forward | (37,422,486) | (48,172,588) |
| Add: Additions during the year | 50,38,842 | 10,750,102 |
| Less: Transfer to Reserve | - | - |
| Surplus/(Deficit) carried forward | (32,384,151) | (37,422,486) |

2. DIVIDEND

In view of the planned business growth, your Directors deem it proper to preserve the resources of the Company for its activities and therefore, do not propose any dividend for the Financial Year ended March 31, 2019.

3. RESERVES

There is no amount transferred to the Reserves.

4. BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR AND FUTURE OUTLOOK

The highlights of the Company's performance are as under:-

- Revenue from operations has decreased from Rs. 557,479,736/- to Rs. 554,757,656/- in the current year.
- Company's profits have decreased from 10,750,102 /- from last year to Rs. 50,38,842 /- in the current year.
- Earnings per share for the year is Rs.0.14/- which was Rs. 0.31/- last year.

| | |
|---|---------------------------|
| Revenue of the last F.Y. i.e. 01.04.2017 to 31.03.2018 | Rs. 582,365,913 /- |
| Revenue of the current F.Y. i.e. 01.04.2018 to 31.03.2019 | Rs. 578,749,230 /- |

FUTURE OUTLOOK

Indian pharmaceutical industry is on a strong growth path with and we expect that our business sector will improve considerably and with the upcoming changes and development in the sector, we expect to improve our performance for the coming years. We are working relentlessly to curb and unify the Distribution Chain, which is highly fragmented

5. CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there has been no change in the nature of business of the company.

6. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

During the year under the review, there has been no material changes and commitments affecting the Financial Position.

7. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant or material orders have been passed by any regulators or courts or tribunals against the company

8. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

There is no other company/ies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year

9. DEPOSITS

The Company has neither accepted nor renewed any "deposits" within the meaning of Section 73 of the Companies Act, 2013 during the year under review.

10. STATUTORY AUDITORS

The Company at its 11th Annual General Meeting held on 27th September 2017 has appointed Mitesh Mehta & Associates, Chartered Accountants (firm Registration no. 106447W), Mumbai, as Statutory Auditors to hold office as the Statutory Auditors of the Company up to the conclusion of 16th AGM of the Company to be held in 2022, subject to the ratification by the shareholders in the Annual General Meeting. The recent Companies Amendment Act 2017 has done away with the requirement to ratify the auditors in every Annual General Meeting. Considering the same going forward the appointment of the Statutory Auditor is not subject to ratification every year.

11. AUDITORS' REPORT

The Auditor's Report to the Members on the Accounts of the Company for the financial year ended March 31, 2019 does not contain any qualification, reservation or adverse remark.

12. SECRETARIAL AUDITOR'S

In terms of Section 204 of the Companies Act, 2013, on the recommendation of the Audit Committee, the Board of Directors had appointed M/s. Deepa Gupta., Practising Company Secretaries (PCS Registration No. 8168) as the Secretarial Auditors of the Company. The Company has received their consent for appointment. The Secretarial Audit was carried out by M/s. Deepa Gupta., Practising Company Secretaries (PCS Registration No. 8168) for the financial year 2018-19. The Report given by the Secretarial Auditors is annexed as **Annexure – II** and forms integral part of this Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

13. SHARE CAPITAL

A) Issue of equity shares with differential rights

Company has not issued any equity shares with differential rights.

B) Issue of sweat equity shares

Company has not issued any sweat equity shares

C) Issue of employee stock options

Company has not issued any stock options to employees

D) Provision of money by company for employees or to any employees' trust for purchase of its own shares.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy-

| | | |
|------|--|--|
| i. | the steps taken or impact on conservation of energy | Company's operation does not consume significant amount of energy. |
| ii. | the steps taken by the company for utilising alternate sources of energy | Not applicable, in view of comments in clause (I) |
| iii. | the capital investment on energy conservation equipments | Not applicable, in view of comments in clause (I) |

Technology absorption-

| | | |
|------|--|---|
| i. | the efforts made towards technology absorption | The company is engaged in Activities of Distribution of Pharmaceutical and FMCG products. In view of this company has nothing to report under this head |
| ii. | the benefits derived like product improvement, cost reduction, product development or import substitution | |
| iii. | in case of Imported technology (imported during the last three years reckoned from the beginning of the financial year)- NIL | |
| | a. | the details of technology imported |
| | b. | the year of import |
| | c. | whether the technology been fully absorbed |
| | d. | if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and |
| iv. | the expenditure incurred on Research and Development | Nil |

Foreign exchange earnings and Outgo (in Rupees) -

| | | |
|-----|--|----------------|
| i. | Foreign Exchange earned in terms of actual inflows during the year | Rs. 4,57,303/- |
| ii. | Foreign Exchange outgo during the year in terms of actual outflows | NIL |

15. RISK MANAGEMENT

Risk Management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximise the realization of opportunities. The Company has laid down a comprehensive Risk Assessment and Minimization Procedure which is reviewed by the Board from time to time. These procedures are reviewed to ensure that executive management controls risk through means of a properly defined framework. The major risks have been identified by the Company and its mitigation process/measures have been formulated in the areas such as business, project execution, event, financial, human, environment and statutory compliance.urchase of its own shares by employees or by trustees for the benefit of employees

16. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

As on date, your Board of Directors comprises of following Directors and KMP's:

1. **Mr. Jagannath Sakharam Shinde** – Chairman & Director
2. **Mr. Ravindra Manohar Savant** – Independent Director
3. **Mr. Jugalkishor Kisanlal Tapadiya** – Director & Managing Director
4. **Mr. Parari Athmaram Patil** – Independent Director
5. **Mr. Dhaval Harshad Bharwada** – Chief Financial Officer
6. **Mr. Vijay Pandurang Patil** – Additional Non Executive Director
7. **Mr. Devesh Amubhai Pathak** – Additional Independent Director
8. **Ms. Aditi Aniruddha Bhor** – Company Secretary

In terms of Section 152 and 160 of the Companies Act, 2013 and in accordance with the Articles of Association of the Company, Mr. Jagannath Shinde would retire at the ensuing Annual General Meeting and being eligible offer himself for reappointment. Requisite Notice has been received in respect of his reappointment as a Retiring Director. The Board recommends his appointment.

Mr Vijay Pandurang Patil (DIN: 06708245) was appointed as additional Director w.e.f 15th February, 2019 and will be regularized in the upcoming Annual General Meeting.

Mr. Jugalkishore Kisanlal Tapadiya has been reappointed for next term of five years as Managing Director, subject to regularisation in the upcoming Annual General Meeting.

Mr. Devesh Amubhai Pathak (DIN: 00017515), was appointed as additional Director w.e.f 28th August, 2019 and will be regularized in the upcoming Annual General Meeting.

Mr Devesh Amubhai Pathak has been appointed as additional independent director who will hold the office for a period of 5 years subject to ratification in Annual General Meeting.

An independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment for next five years on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

17. DECLARATION BY AN INDEPENDENT DIRECTOR(S) AND RE-APPOINTMENT, IF ANY

The Company has received necessary declarations from Independent Directors under section 149(7) of Companies Act, 2013, that he or she meets the criteria of independence laid down under section 149(6) of Companies Act, 2013.

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The Nomination and Remuneration Committee is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. The Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The Nomination and Remuneration Committee conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The Committee is also responsible for reviewing and vetting the CVs of potential candidates vis-à-vis the required competencies and meeting potential candidates, prior to making recommendations of their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

The details of ratio of remuneration to each Director to the median employee's remuneration are not applicable since no remuneration is paid to the Managing Director / Non-executive Independent Directors of the Company.

CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR:

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act.

Independence: In accordance with the above criteria, a Director will be considered as an 'Independent Director' if he/she meet the criteria for 'Independent Director' as laid down in 149(6) of Companies Act, 2013.

Qualifications: A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is also ensured that the Board has an appropriate blend of functional and industry expertise. While recommending the appointment of a Director, the Nomination and Remuneration Committee considers the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.

Positive Attributes: In addition to the duties as prescribed under the Act, the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment.

ANNUAL EVALUATION OF BOARD PERFORMANCE ITS COMMITTEES AND OF DIRECTORS:

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

The Board’s functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole. The Nomination and Remuneration Committee also reviewed the performance of the Board, its Committees and of the Directors.

18. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

- a) Details of Board meetings held during the year- 4 (Four) Board meetings were held during the financial year from 1st April, 2018 to 31st March,2019

| Sr. No. | Date of meeting | Sr. No. | Date of meeting |
|---------|-----------------|---------|-----------------|
| 1 | 14/07/2018 | 3 | 15/02/2019 |
| 2 | 26/10/2018 | 4 | 30/03/2019 |

The maximum interval between any two meetings did not exceed 120 days

- b) Attendance of each director at the board Meetings and the last AGM during the year 1st April, 2018 to 31st March,2019.

| Name of the director | No. of board meetings attended | Last AGM attendance (Yes/No) |
|--------------------------|--------------------------------|------------------------------|
| Mr. Jagannath Shinde | 4 | Yes |
| Mr. Jugalkishor Tapadiya | 4 | Yes |
| Mr. Ravindra Savant | 4 | Yes |
| Mr. Parari Patil | 4 | Yes |
| Mr. Vijay Patil* | 0 | No |

* **Mr. Vijay Patil** (DIN: 07370481), was appointed as additional Director w.e.f 15th February, 2019 and did not attend the meeting held on 30th March , 2019.

The independent directors held one meeting on 30th March, 2019 without the attendance of non-independent directors and members of management.

c) Committees of the Board:

The Board of Directors have constituted following committees in order to effectively cater its duties towards diversified role under the Companies Act, 2013
Audit and Risk Management Committee;
Nomination and Remuneration Committee;
Stakeholders' Relationship Committee and,
Details of the constitution of each Committee and number of meetings attended by individual director etc. are provided in **Annexure 'IV'** and forms part of this Report.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are provided in Notes to the Financial Statements

20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the financial year ended 31st March, 2019 were in the ordinary course of business at arm's length. Therefore, the provisions of Section 188 of the Companies Act, 2013 were not attracted. Further, there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The particulars of contracts or arrangements with related parties as prescribed in Form AOC - 2 is appended as **Annexure I**.

21. PARTICULARS OF EMPLOYEES:

There are no employees drawing remuneration of Rs. One crore and two lakh p.a if employed throughout the f.y or drawing remuneration of Rs. Eight lakh and Fifty thousand rupees per month if employed for part thereof.

There are no employees drawing remuneration in excess of that drawn by MD/WTD/Manger and holding 2% of equity shares himself and/or with spouse and dependent children.

22. MERGER OF AIOCDL WITH MSCDAL:

The Board of Directors of your Company had at its meeting held on 08th December 2017, approved the Merger of All Indian Origin Chemists and Distributors Limited with Maharashtra Safe Chemists and Distributors Alliance Limited. The said Merger is subject to receipt of necessary approvals of Shareholders, National Company Law Tribunal and other Regulatory authorities as may be required.

23. EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of Annual Return in prescribed Form MGT 9 is annexed hereto as **Annexure III** and forms the part of this Report.

24. DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134(3) (c) OF THE COMPANIES ACT, 2013

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- (a) in the preparation of the annual accounts for the year ended 31st March, 2019, the Company has followed the applicable accounting standards and there are no material departures from the same.
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments 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 31st March, 2019 and of the profit and loss of the Company for that period;

(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, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the Directors have prepared the annual accounts on a 'going concern' basis;

(e) the Company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company;

(f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

25. HUMAN RESOURCES

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

26. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company is committed to provide a safe and conducive work environment to its employees. During the year under review, no case of sexual harassment was reported. The Company has constituted a Internal Compliance Committee under the POSH Act, 2013. The Company is committed to comply with all the requirements of the POSH Act, 2103.

27. COMPLIANCE WITH SECRETARIAL STANDARDS

Your company has devised proper systems to ensure compliance of applicable Secretarial Standards on Board Meeting and General Meeting.

28. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation were observed.

29. AUDIT COMMITTEE

The details of the composition, powers, functions, meetings of the Committee held during the year are given as under

The Audit Committee consists of the following members

- a. Mr. Ravindra Savant
- b. Mr. Parari Patil
- c. Mr. Jagannath Shinde

The Committee reviews the audited financial statement. The Committee also reviewed (i) appointment of Statutory, Internal Auditor of the Company (ii) reports of the Internal Auditor; (iii) acquisition/ sale of assets; (iv) Directors' Responsibility Statement; (v) performance of Statutory and Internal Auditors; vi) Monitoring of the Code of Conduct; and (vii) Ethics and related matters. The Committee had regular interaction with the Internal and Statutory Auditors of the Company.

Recommendations of the Committee are accepted by the Board of Directors from time to time.

Broad terms of reference to the Audit Committee in brief :

The Committee primarily acts in line with the Section 177 of the Companies Act, 2013. The Committee oversees

the Company's financial reporting process and internal control system and, ensures that the financial statements are correct, sufficient and credible. The Committee reviews the annual and quarterly financial statements before submission to the Board for approval. The Committee has been entrusted with the responsibility of reviewing Internal Audit findings and ensuring adequacy of internal control systems. The Committee recommends to the Board, appointment of external auditors and payment of fees. The Committee holds regular discussions with the Internal, Statutory Auditors about their scope of audit and holds post audit discussions with the Auditors. The Statutory, Internal Auditor, the, Finance & Accounts Team of the Company are invited for the meetings of the Committee.

30. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of 3 Directors –

1. Mr. Parari Patil,
2. Mr. Ravindra Savant
3. Mr. Jagannath Shinde

The Committee reviews appointment of directors and key managerial persons. The Committee has formulated the criteria for determining qualifications, positive attributes and independence of a director. The Board upon recommendation from the Committee have formulated a policy, relating to the remuneration for the directors, and other employees. The Committee oversees the following self-evaluation process, used by the Directors, by the Board and by each committee of the Board to determine their effectiveness and opportunities for improvement. Each Board member is requested to evaluate the effectiveness of the Board dynamics and relationships, information flow, value addition, governance, and the effectiveness of the whole Board and its various committees in descriptive manner. Feedback on each Director is encouraged to be provided as a part of survey.

Remuneration policy

The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Our compensation philosophy is to align Directors and Company's compensation with our business objectives, so that compensation is used as a strategic tool that helps us recruit, motivate and retain highly talented individuals who are committed to our core values. We believe that our compensation programs are integral to achieving our goals. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance of the Company. The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and performance incentives, commission to Director annual increments are decided by the Compensation Committee within the salary scale approved by the Board and Shareholder

31. ACKNOWLEDGEMENTS

Your Directors acknowledge with gratitude, the co-operation, valuable assistance and guidance extended by the Management, service providers, Company's banker, shareholders and various institutions of the Central and State Governments during the year under review.

The Directors put on record appreciation for the devoted services of all employees, and the continued supports from the customers, vendors, members during the year under review.

For and on behalf of the Board

Registered Office:
6th Floor, Corporate Park – II,
V.N. Purav Marg,
Chembur, Mumbai – 400 071
Place: Mumbai
Date: 28th August, 2019

Sd/-
(Jagannath Shinde)
DIN 01435827
Chairman

“ANNEXURE I”

FORM NO. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis:
 MAHARASHTRA SAFE CHEMISTS AND DISTRIBUTORS ALLIANCE LIMITED has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2018-19.

| Name (s) of the related party & nature of relationship | Nature of contracts/ arrangement s/ transaction | Duration of the contracts / arrangements/ transaction | Salient terms of the contracts or arrangements or transaction including the value, if any | Justification for entering into such contracts or arrangements or transactions' | Date of approval by the Board | Amount paid as advances, if any | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 |
|--|---|---|---|---|-------------------------------|---------------------------------|---|
| - | - | - | - | - | - | - | - |

2. Details of contracts or arrangements or transactions at Arm's length basis.

| Name (s) of the related party & nature of relationship | Nature of contracts/ arrangements/ transaction | Duration of the contracts / arrangements/ transaction | Salient terms of the contracts or arrangements or transaction including the value, if any | Nature of Contracts and Arrangements | Date of approval by the Board | Amount paid as advances, if any | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 |
|--|--|---|---|--|-------------------------------|---------------------------------|---|
| All Indian Origin Chemists & Distributors Ltd | Leave & License Agreement | 1st May 2008 – (subject to renewal) | Leave & License Agreement | Ordinary Course of Business and at Arms Length | 03.09.2014 | NA | 30.09.2014 |
| All Indian Origin Chemists & Distributors Ltd | Expense Sharing Agreement | 30th March 2012 - Ongoing | Sharing of utility expenses | Ordinary Course of Business and at Arms Length | 03.09.2014 | NA | 30.09.2014 |
| All Indian Origin Chemists & Distributors Ltd | Sales And Distribution Agreement | 1st October, 17 - 30 th September, 2020 | Appointment as non - exclusive Distributor | Ordinary Course of Business and at Arms Length | 03.09.2014 & 23.08.2017 | NA | 30.09.2014 & 27.09.2017 |
| AIOCD Pharmasofttech AWACS Private Limited | Leave & License Agreement | 1st October, 17 - 30 th September, 2020 | Leave & License Agreement | Ordinary Course of Business and at Arms Length | 03.09.2014 & 23.08.2017 | NA | 30.09.2014 & 27.09.2017 |
| Tapadiya Distributors | Stockiest Agreement | 25 th March 2015 - Ongoing | Supply of goods | Ordinary Course of Business and at Arms Length | 25.03.2015 | NA | NA |
| Nancy Enterprises | Stockiest Agreement | 25 th March 2015 - Ongoing | Supply of goods | Ordinary Course of Business and at Arms Length | 25.03.2015 | NA | NA |
| Nansun Distributors | Stockiest Agreement | 15 th June 2016 - ongoing | Supply of goods | Ordinary Course of Business and at Arms Length | 08.06.16 | NA | NA |
| Tapadiya Life Sciences | Stockiest Agreement | 15 th June 2016 - ongoing | Supply of goods | Ordinary Course of Business and at Arms Length | 08.06.16 | NA | NA |
| Tapadiya Cosmogen | Stockiest Agreement | 15 th June 2016 - ongoing | Supply of goods | Ordinary Course of Business and at Arms Length | 08.06.16 | NA | NA |

For and on behalf of the Board of Directors

Sd/-

Mr.Jagannath Shinde

Chairman

DIN – 01435827

Add: Shinde Building Narveer Tanaji Chowk,
 Kolse Wadi, Kalyan (E), Thane – 421306

Sd/-

Dhaval Bharwada

Chief Financial Officer

Add: Ayodhya Park, Harsh S - 6,
 Kawala Naka, Kolhapur 416005

Place: Mumbai
 Date: 28th August 2019

“ANNEXURE II”

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Maharashtra Safe Chemists and Distributors Alliance Limited

(CIN:U24239MH2006PLC165149)

6th Floor, Corporate Park II,

V. N. Purav Marg, Chembur, Mumbai 400071

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Maharashtra Safe Chemists and Distributors Alliance Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided to me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **Maharashtra Safe Chemists and Distributors Alliance Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Maharashtra Safe Chemists and Distributors Alliance Limited** (“the Company”) for the financial year ended on 31st March 2019 according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the rules made there under;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; **(not applicable during the audit period)**
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; **(not applicable during the audit period)**
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under; **(not applicable during the audit period)**
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **(not applicable during the audit period)**
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (6) The Drugs (Prices Control) Order, 1995 / 2013
- (7) The Drugs & Cosmetics Act, 1940 and The Drugs & Cosmetics Rules, 1945
- (8) Food Safety and Standards Act, 2006 and Food Safety Standards Regulations (FSSR), 2011

I have also examined compliance with the applicable clauses of the following:

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (b) The Listing Agreement entered into by the Company with BSE Limited (BSE) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Not applicable during the Audit Period)**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were generally carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at Board Meetings and Committee Meetings are carried through and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc.

I further report that during the audit period, there were no instances of:

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities.
- (iii) Merger / amalgamation / reconstruction, etc.
- (iv) Foreign technical collaborations.

Place : Mumbai
Date : 28/08/2019

Sd/-

DEEPA GUPTA
ACS NO.: 20860
CP No.: 8168

“Form No. MGT-9

“ANNEXURE –III”

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | | |
|-------------|---|---|
| i. | CIN | U24239MH2006PLC165149 |
| ii. | Registration Date | 16/10/2006 |
| iii. | Name of the Company | MAHARASHTRA SAFE CHEMISTS AND DISTRIBUTORS ALLIANCE LIMITED |
| iv. | Category/Sub-Category of the Company | Company limited by shares |
| v. | Address of the Registered office and contact details | 6th Floor, Corporate Park - II,, V.N. Purav Marg, Chembur, Mumbai Maharashtra-400071 INDIA |
| vi. | Whether listed company | No |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent, if any | Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg , Vikhroli (West), Mumbai – 400 083. |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| Sr. No | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover of the company |
|---------------|--|---|---|
| 1 | Distribution services | 46 | 96% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| | Name And Address Of The Company | CIN/GLN | Holding/ Subsidiary /Associate | %of shares held | Applicable Section |
|----|--|----------------|---------------------------------------|------------------------|---------------------------|
| 1. | NA | NA | NA | NA | NA |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during The year |
|--|---|----------|--------|-------------------|---|----------|--------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoter | | | | | | | | | |
| 1) Indian | | | | | | | | | |
| a) Individual/ HUF | - | 701100 | 701100 | 2.0005 | - | 702600 | 702600 | 2.0048 | (0.0043) |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp | - | - | - | - | - | - | - | - | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any Other | - | - | - | - | - | - | - | - | - |
| Subtotal(A)(1):- | - | 701100 | 701100 | 2.0005 | - | 702600 | 702600 | 2.0048 | (0.0043) |
| 2) Foreign | - | - | - | - | - | - | - | - | - |
| g) NRIs- Individuals | - | - | - | - | - | - | - | - | - |
| h) Other- Individuals | - | - | - | - | - | - | - | - | - |
| i) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| j) Banks / FI | - | - | - | - | - | - | - | - | - |
| k) Any Other.... | - | - | - | - | - | - | - | - | - |
| Total Promoter Shareholding (A)=(A)(1)+ (A)(2) | - | 701100 | 701100 | 2.0005 | - | 702600 | 702600 | 2.0048 | (0.0043) |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt. | - | - | - | - | - | - | - | - | - |
| d) State Govt. (s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |

Maharashtra Safe Chemists and Distributors Alliance Limited

| | | | | | | | | | |
|---|---|----------|----------|---------|---------|----------|----------|---------|---------|
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total(B)(1) | - | - | - | - | - | - | - | - | - |
| 2. Non Institutions | - | - | - | - | - | - | - | - | - |
| a) Bodies Corp. | - | 856250 | 856250 | 2.4432 | - | 1019250 | 1069250 | 3.051 | 0.6078 |
| (i) Indian | - | - | - | - | - | - | - | - | - |
| (ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | - | - | - | - | - | - | - | - | - |
| (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | - | 26075195 | 26075195 | 74.4023 | 14000 | 24260370 | 24260370 | 69.224 | -5.1741 |
| (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | - | 7413650 | 7413650 | 21.1539 | 25000 | 7283150 | 7283150 | 20.7816 | -0.3723 |
| c) Others (Specify) IEPF Suspense Account | - | - | - | - | 1730825 | - | 1730825 | 4.9387 | 4.9387 |
| Sub-total(B)(2) | - | 34345095 | 34345095 | 97.9952 | 1819825 | 32523770 | 34343595 | 97.9952 | 0 |
| Total Public Shareholding (B)=(B)(1) + (B)(2) | - | 34293595 | 34293595 | 97.9952 | - | 34343595 | 34343595 | 97.9952 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | - | 35046195 | 35046195 | 100 | - | 35046195 | 35046195 | 100 | - |

ii. Shareholding of Promoters

| Sr. No | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|--------|----------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1. | SHINDE JAGANNATH SAKHARAM | 1,40,100 | 0.3997 | - | 1,40,100 | 0.3997 | - | - |
| 2. | ANIL HARIKISAN NAVANDAR | 1,00,000 | 0.2853 | - | 1,00,000 | 0.2853 | - | - |
| 3. | VAIJANATH EKNATH JAGUSHTE | 1,01,000 | 0.2881 | - | 1,01,000 | 0.2881 | - | - |
| 4. | VINAY SHASHIKANT SHROFF | 1,20,000 | 0.3424 | - | 1,20,000 | 0.3424 | - | - |

iii. Change in Promoters' Shareholding (please specify, if there is no change): No change

| Sr. no | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | | | | | |
| | At the beginning of the year | | | | |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | | | | |
| | At the End of the year | | | | |

iv .Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sr. no | Name of shareholder | Shareholding at the beginning of the year | | Date | Reason | Increase/Decrease in Shareholding | | Cumulative Shareholding during the year | |
|--------|--|---|----------------------------------|----------|-----------|-----------------------------------|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | All Indian Origin Chemists & Distributors Limited | 540000 | 1.5408 | 01-04-18 | No Change | - | - | 540000 | 1.5408 |
| | | 540000 | 1.5408 | 31-03-19 | | - | - | 540000 | 1.5408 |

| Sr. no | Name of shareholder | Shareholding at the beginning of the year | | Date | Reason | Increase/ Decrease in Shareholding | | Cumulative Shareholding during the year | |
|--------|---|---|----------------------------------|----------|--------------------|------------------------------------|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 2 | Captive Audience Advertising Netwrok And Reserach Pvt Ltd | 316250 | 0.9024 | 01-04-18 | | - | - | - | - |
| | | | | 20-04-18 | Purchase of Shares | 52500 | 0.1498 | 368750 | 1.0522 |
| | | | | 11-05-18 | Purchase of Shares | 36250 | 0.1034 | 405000 | 1.1556 |
| | | | | 01-06-18 | Purchase of Shares | 4500 | 0.5294 | 409500 | 1.1685 |
| | | | | 22-06-18 | Purchase of Shares | 250 | 0.0007 | 409750 | 1.1692 |
| | | | | 20-07-18 | Purchase of Shares | 20000 | 0.057 | 429750 | 1.2262 |
| | | | | 01-10-18 | Purchase of Shares | 49500 | 0.1413 | 479250 | 1.3675 |
| | | | | 05-01-19 | Purchase of Shares | 50000 | 0.1426 | 529250 | 1.5101 |
| | | | | 31-03-19 | Purchase of Shares | - | - | 529250 | 1.5101 |
| 3 | Rajendra Lingayat | 177250 | 0.5057 | 01-04-18 | No Change | - | - | 177250 | 0.5057 |
| | | 177250 | 0.5057 | 31-03-19 | | - | - | 177250 | 0.5057 |
| 4 | Nitin Rameshchandra Diwania | 150000 | 0.428 | 01-04-18 | No Change | - | - | 150000 | 0.428 |
| | | 150000 | 0.428 | 31-03-19 | | - | - | 150000 | 0.428 |
| 5 | Rajendra Deshmukh | 101000 | 0.2882 | 01-04-18 | No Change | - | - | 101000 | 0.2882 |
| | | 101000 | 0.2882 | 31-03-19 | | - | - | 101000 | 0.2882 |
| 6 | Vikrant J. Shinde | 120000 | 0.3424 | 01-04-18 | No Change | - | - | 120000 | 0.3424 |
| | | 120000 | 0.3424 | 31-03-19 | | - | - | 120000 | 0.3424 |
| 7 | Nilesh Shivaji Shinde | 120000 | 0.3424 | 01-04-18 | No Change | - | - | 120000 | 0.3424 |
| | | 120000 | 0.3424 | 31-03-19 | | - | - | 120000 | 0.3424 |
| 8 | Barkase Arun Sakharamji | 100000 | 0.2853 | 01-04-18 | No Change | - | - | 100000 | 0.2853 |
| | | 100000 | 0.2853 | 31-03-19 | | - | - | 100000 | 0.2853 |
| 9 | Bhangale Sunil Ramdas | 100000 | 0.2853 | 01-04-18 | No Change | - | - | 100000 | 0.2853 |
| | | 100000 | 0.2853 | 31-03-19 | | - | - | 100000 | 0.2853 |
| 10 | Rajiv K Jain | 100000 | 0.2853 | 01-04-18 | No Change | - | - | 100000 | 0.2853 |
| | | 100000 | 0.2853 | 31-03-19 | | - | - | 100000 | 0.2853 |

v. Shareholding of Directors and Key Managerial Personnel:

| Sr. no | Name of shareholder | Shareholding at the beginning of the year | | Date | Reason | Increase/ Decrease in Shareholding | | Cumulative Shareholding during the year | |
|--------|-------------------------------|---|----------------------------------|------------|-----------|------------------------------------|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Jagannath Sakharam Shinde | 140100 | 0.2736 | 31-03-2019 | No change | 0 | 0 | 140100 | 0.2736 |
| 2 | Jugalkishor Kisanlal Tapadiya | 21000 | 0.0599 | 31-03-2019 | No change | 0 | 0 | 21000 | 0.0599 |
| 4 | Ravindra Manohar Savant | 0 | 0 | 31-03-2019 | No change | 0 | 0 | 0 | 0 |
| 5 | Parari Athmaram Patil | 0 | 0 | 31-03-2019 | No change | 0 | 0 | 0 | 0 |
| 6 | Dhaval Harshad Bharwada | 5000 | 0.0143 | 31-03-2019 | No change | 0 | 0 | 5000 | 0.0143 |
| 7 | Vijay Pandurang Patil** | 5500 | 0.0156 | 31-03-2019 | No change | 0 | 0 | 5500 | 0.0156 |
| 6 | Aditi Aniruddha Bhor | 0 | 0 | 31-03-2019 | No change | 0 | 0 | 0 | 0 |

**Mr. Vijay Pandurang Patil, was appointed wef 15th February, 2019 upto the ensuing Annual General Meeting, subject to regularization by the shareholders in the Annual General Meeting.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment - NIL

| Indebtedness at the beginning of the Financial year | Secured Loan | Unsecured Loan | Deposit | Total indebtedness |
|--|--------------|----------------|---------|--------------------|
| i) Principal amount | - | - | - | - |
| ii) Interest due but not paid | | - | | - |
| iii) Interest accrued but not due | - | - | | - |
| Toal | - | - | - | - |
| Changes in indebtedness during the Financial year | - | - | - | - |
| Addition | - | - | - | - |
| Reduction | - | - | - | - |

| Indebtedness at the beginning of the Financial year | Secured Loan | Unsecured Loan | Deposit | Total indebtedness |
|---|--------------|----------------|---------|--------------------|
| Net chages | - | - | - | - |
| | - | - | - | - |
| Indebtedness at the end of the Financial year | - | - | - | - |
| | - | - | - | - |
| i) Principal amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| | - | - | - | - |
| Total | - | - | - | - |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A.Remuneration to Managing Director, Whole-time Directors and/or Manager

(NOT APPLICABLE)

| Sl No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | | Total Amount |
|--------|---|----------------------------|--|--|--|--------------|
| 1. | Gross salary (a)Salary as per provisions contained in section17(1) of the Income-tax Act, 1961 (b)Value of perquisites u/s 17(2)Income-tax Act, 1961 (c)Profits in lieu of salary undersection17(3)Income- taxAct,1961 | | | | | |
| 2. | Stock Option | | | | | |
| 3. | Sweat Equity | | | | | |
| 4. | Commission - as% of profit - others, specify... | | | | | |
| 5. | Others, please specify | | | | | |
| 6. | Total(A) | | | | | |
| | Ceiling as per the Act | | | | | |

B. Remuneration to other directors

| Sl. No. | Particulars of Remuneration | Ravindra Savant | Parari Patil | Total Amount |
|---------|--|-----------------|--------------|---------------|
| | <u>Independent Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify | 80000 | 80000 | 160000 |
| | Total(1) | 80000 | 80000 | 160000 |
| | <u>Other Non-Executive Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify | - | - | - |
| | Total(2) | - | - | - |
| | Total(B)=(1+2) | 80000 | 80000 | 160000 |
| | Total Managerial Remuneration | - | - | - |
| | Overall Ceiling as per the Act | - | - | - |

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

| Sl. no. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---------|--|--------------------------|-------------------|-----------|---------------|
| | | CEO | Company Secretary | CFO | Total |
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | <u>NA</u> | <u>353878</u> | <u>NA</u> | <u>353878</u> |
| 2. | Stock Option | <u>NA</u> | <u>NA</u> | <u>NA</u> | <u>NA</u> |
| 3. | Sweat Equity | <u>NA</u> | <u>NA</u> | <u>NA</u> | <u>NA</u> |
| 4. | Commission - as % of profit - others, specify... | <u>NA</u> | <u>NA</u> | <u>NA</u> | <u>NA</u> |
| 5. | Others, please specify | <u>NA</u> | <u>NA</u> | <u>NA</u> | <u>NA</u> |
| 6. | Total | | <u>353878</u> | <u>NA</u> | <u>353878</u> |

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

| Type | Section of the companies Act | Brief description | Details of Penalty/ Punishment/ Compound ing fees imposed | Authority [RD/NCLT/Co urt] | Appeal made. If any (give details) |
|-------------------------------------|------------------------------|-------------------|---|----------------------------|------------------------------------|
| A. Company | | | | | |
| Penalty | <u>NA</u> | <u>NA</u> | <u>NA</u> | <u>NA</u> | <u>NA</u> |
| Punishment | <u>NA</u> | <u>NA</u> | <u>NA</u> | <u>NA</u> | <u>NA</u> |
| Compounding | <u>NA</u> | <u>NA</u> | <u>NA</u> | <u>NA</u> | <u>NA</u> |
| B. Directors | | | | | |
| Penalty | <u>NA</u> | <u>NA</u> | <u>NA</u> | <u>NA</u> | <u>NA</u> |
| Punishment | <u>NA</u> | <u>NA</u> | <u>NA</u> | <u>NA</u> | <u>NA</u> |
| Compounding | <u>NA</u> | <u>NA</u> | <u>NA</u> | <u>NA</u> | <u>NA</u> |
| C. Other Officers In Default | | | | | |
| Penalty | <u>NA</u> | <u>NA</u> | <u>NA</u> | <u>NA</u> | <u>NA</u> |
| Punishment | <u>NA</u> | <u>NA</u> | <u>NA</u> | <u>NA</u> | <u>NA</u> |
| Compounding | <u>NA</u> | <u>NA</u> | <u>NA</u> | <u>NA</u> | <u>NA</u> |

For and on behalf of the Board of Directors

Place: Mumbai
Date: 28th August 2019

Sd/-
Mr. Jagannath Shinde
Chairman
DIN – 001435827
Add: Shinde Building Narveer Tanaji Chowk,
Kolse Wadi, Kalyan (E), Thane – 421306

“ANNEXURE IV”

Board of Directors

The Board of Directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors who have an in-depth knowledge of business, in addition to the expertise in their areas of specialization. The Board of the Company comprises Seven Directors that includes one Women Director.

(i) Composition and Category of Directors as of 31st March, 2019 is as follows:

| Category | No. of Directors | % |
|--|------------------|------------|
| Executive Directors | 2 | 40 |
| Non Executive & Independent Directors | 3 | 60 |
| Non Executive & Non Independent Director | - | - |
| Total | 5 | 100 |

ii) No. of other Board Committees they are Members / Chairman

| Audit Committee | Nomination and Remuneration Committee | Stakeholders' Relationship Committee |
|------------------------|--|---|
| Mr. Ravindra Savant | Mr. Parari Patil | Mr. Parari Patil |
| Mr. Parari Patil | Mr. Ravindra Savant | Mr. Jagannath Shinde |
| Mr. Jagannath Shinde | Mr. Jagannath Shinde | Mr. Jugalkishor Tapadiya |

COMMITTEE MEETINGS

| | | | | |
|--------------------------|---------|-------------------------------|--------|------|
| No. of Committees | | 3 | | |
| Name of the Committee | | Audit Committee | | |
| SN | Date of | Total No. of Directors on the | No. of | % of |

Maharashtra Safe Chemists and Distributors Alliance Limited

| | meeting | Date of Meeting | Directors attended | Attendance |
|---|------------|-----------------|--------------------|------------|
| 1 | 14/07/2018 | 3 | 3 | 100 |
| 2 | 26/10/2018 | 3 | 3 | 100 |
| 3 | 15/02/2019 | 3 | 3 | 100 |
| 4 | 30/03/2019 | 3 | 3 | 100 |

| Name of the Committee | | Nomination and Remuneration Committee | | |
|-----------------------|---|---------------------------------------|-----------------|--|
| Date of meeting | Total No. of Directors on the Date of Meeting | No. of Directors attended | % of Attendance | |
| 14/07/2018 | 3 | 3 | 100 | |
| 15/02/2019 | 3 | 3 | 100 | |

| Name of the Committee | | Shareholders' Relationship Committee | | |
|-----------------------|---|--------------------------------------|-----------------|--|
| Date of meeting | Total No. of Directors on the Date of Meeting | No. of Directors attended | % of Attendance | |
| 16/04/2018 | 3 | 3 | 100 | |
| 28/09/2018 | 3 | 2 | 66.67 | |
| 01/10/2018 | 3 | 3 | 100 | |

Date of independent Directors meeting and attendance details

| SN | Date of meeting | Total No. of Directors on the Date of Meeting | No. of Directors attended | % of Attendance |
|----|-----------------|---|---------------------------|-----------------|
| 1 | 30/03/2019 | 2 | 2 | 100 |

For and on behalf of the Board of Directors of

Maharashtra Safe Chemists and Distributors Alliance Limited

Sd/-

Mr. Jagannath Shinde

Chairman

DIN – 001435827

Add: Shinde Building Narveer Tanaji Chowk,
Kolse Wadi, Kalyan (E), Thane – 421306

Place: Mumbai

Date: 28/08/2019

INDEPENDENT AUDITORS' REPORT

To the Members of **Maharashtra Safe Chemists and Distributors Alliance Limited**

Report on the Audit of the Standalone Financial Statements**Opinion**

We have audited the accompanying financial statements of **Maharashtra Safe Chemists and Distributors Alliance Limited**, which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit/loss, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating for ensuring accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

That Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "**Annexure A**" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. **As required by Section 143(3) of the Act, we report that:**
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- © The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the Internal Financial controls over financial reporting of the Company refer to our separate report in “**Annexure B**” and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has no pending litigations having impact on its financial position in its financial statements
 - ii. The Company has made provision, as required under the applicable law Or accounting standards, for material foreseeable losses, if any, on long-term contracts.
 - iii. The company was not required to transfer any amount to Investor Education and Protection Fund during the year under consideration.

**For Mitesh Mehta & Associates
Chartered Accountants**

**Sd/-
Mitesh Mehta
Proprietor)**

**Membership No. : - 041518
Firm Registration No.: 106447W**

“Annexure A” to Independent Auditor's Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2019, we report that:

- (i)(a) In our opinion and according to the information and explanation given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) In our opinion and according to the information and explanation given to us, the fixed assets of the company have been physically verified by Management of the Company at regular intervals. No material discrepancies were noticed on such verification.
(c) In our opinion and according to the information and explanation given to us, the title deeds of the Immovable Property are held in the name of the Company.
- (ii) In our opinion and according to the information and explanation given to us, physical verification of inventory (Excluding stocks with third parties) has been conducted at reasonable intervals by the management.
In our opinion and according to the information and explanation given to us, no material discrepancies have been noticed on physical verification.
- (iii) In our opinion and according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, in our opinion the provisions of Clause 3(iii), (iii)(a), (iii)(b) & (iii)(c) of the said Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the provisions of section 185 and 186 of the Companies Act 2013 have been complied with in respect of the Loans, Investments and Guarantees.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, in our opinion, the provisions of Clause 3(v) of the said Order are not applicable to the Company.
- (vi) In our opinion and according to the information and explanations given to us, the Company is not engaged in production, processing, manufacturing or mining activities for which the Central Government has prescribed the maintenance of cost records under section 148(1) of the Act. Accordingly, in our opinion the provisions of Clause 3(vi) of said Order are not applicable to the Company.
- (vii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of custom duty/excise.
According to the information and explanations given to us, no other undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2019.
(b) In our opinion and according to the information and explanations given to us, there are no material dues of Income Tax, Sales Tax, Wealth tax, Service Tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not borrowed fund from financial institutions, banks. Accordingly, in our opinion the provisions of Clause 3(viii) of said Order are not applicable to the Company.
- (ix) In our opinion and according to the information and explanations given to us, the Company did not raise money by way of public issue or follow on offer; hence, the provision of Clause 3 (ix) of CARO 2016 is not applicable.
- (x) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us, the Company did not pay managerial remuneration. Accordingly, in our opinion, paragraph 3 (xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, Since the Company is not a Nidhi Company, paragraph 3 (xii) of CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by Accounting Standards.
- (xiv) In our opinion and according to the information and explanations given to us, Since the Company has not made any preferential allotment/private placement of Shares or fully or partly Convertible Debentures, during the year under review, hence paragraph 3 (xiv) of CARO 2016 is not applicable. (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any Non cash Transactions as contemplated u/s 192 of the Companies Act 2013 with the Directors or persons connected with them, hence paragraph 3
- (xv) of CARO 2016 is not applicable.
- (xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered u/s 45 IA of the Reserve Bank of India Act, 1934.

For Mitesh Mehta & Associates
Chartered Accountants

Sd/-

Proprietor
Mitesh Mehta

Membership No. : - 041518
Firm Registration No.: 106447W

Place: - Mumbai
Date: - 28th August, 2019

**“Annexure B” To The Independent Auditor's Report Of Even Date On The
Financial Statements****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of *Maharashtra Safe Chemists and Distributors Alliance Limited* (“the Company”) as of March 31, 2019 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility:

- Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
- Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.
- Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting:

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2019:

- a) The Company need to implement policies and procedures documented for the components of internal Control.
- b) The Company did not have adequate segregation of duties for procurement and marketing in Critical care division.
- c) The Company did not have a regular control process for reconciliation and confirmation of balances with all the parties.
- d) The Company did not have documented Authority Matrix for Approval of various types of transactions.
- e) The Company did not have documented process for Budgetary Control and variance analysis on a regular basis.
- f) The Company did not have documented policy for recovery of outstanding debts and claims for Price/Rate Difference, Discounts etc.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material Misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 standalone financial statements of the Company, and these material weaknesses do not affect my / our opinion on the standalone financial statements of the Company.

For Mitesh Mehta & Associates
Chartered Accountants

Sd/--
Mitesh Mehta
(Proprietor)

Membership No. : - 041518
Firm Registration No.: 106447W
Place: - Mumbai
Date: - 28th August, 2019

FINANCIAL STATEMENTS
Balance Sheet As at 31st March, 2019

(Amount in Rs.)

| | Note No | As at 31st March, 2019 | As at 31st March, 2018 |
|--|------------|---------------------------|---------------------------|
| <u>(I) EQUITY & LIABILITIES</u> | | | |
| <u>1) Shareholder`s Fund</u> | | | |
| a) Share Capital | 1 | 50,21,61,900 | 50,21,61,900 |
| b) Reserves and Surplus | 2 | (2,93,94,078) | (3,44,32,920) |
| <u>2) Non-Current Liabilities</u> | | | |
| a) Long Term Borrowings | | | |
| b) Deferred Tax Liability (Net) | | 6,61,779 | 3,30,251 |
| c) Other long Term Liabilities | 3 | 6,00,000 | 20,70,000 |
| d) Long Term Provisions | 4 | 1,89,127 | 5,48,300 |
| <u>3) Current Liabilities</u> | | | |
| a) Short Term Borrowings | | | |
| b) Trade Payables | | 3,28,73,293 | 6,36,07,568 |
| c) Other Current Liabilities | 5 | 1,31,44,762 | 1,40,81,911 |
| d) Short Term Provision | 6 | 1,22,66,884 | 67,41,169 |
| Total Equity and Liabilities | | 53,25,03,669 | 55,51,08,179 |
| <u>II) ASSETS</u> | | | |
| <u>1) Non-Current Assets</u> | | | |
| a) Fixed Assets | 7 | | |
| i) Tangible Assets | | 4,40,77,769 | 4,49,39,512 |
| ii) Intangible Assets | | | |
| iii) Capital Work-in-Progress | | | |
| iv) Intangible Assets Under Development | | | |
| b) Non-Current Investment | 8 | 2,49,12,450 | 2,49,12,450 |
| c) Deferred Tax Assets (Net) | | | |
| d) Long Term Loans and Advances | 9 | 2,03,80,429 | 1,52,70,830 |
| e) Other Non-Current Assets | 10 | 20,42,739 | 29,23,283 |
| <u>2) Current Assets</u> | | | |
| a) Current Investment | | - | - |
| b) Inventory | 11 | 5,21,08,741 | 5,93,45,077 |
| c) Trade Receivables | 12 | 5,39,02,862 | 8,67,49,510 |
| d) Cash and Cash-Equivalents | 13 | 30,62,12,832 | 31,12,26,511 |
| e) Short Term Loans and Advances | 14 | 40,19,200 | 2,91,596 |
| f) Other Current Assets | 15 | 2,48,46,646 | 94,49,411 |
| Total Assets | | 53,25,03,669 | 55,51,08,181 |

The Notes referred to above are an integral part of the Balance Sheet
As per our attached report of even date

For Mitesh Mehta & Associates
Chartered Accountants

Sd/-
Mitesh Mehta
(Proprietor)
Membership No. : - 041518
Firm Registration No.: 106447W
Place: - Mumbai
Date: - 28th August, 2019

Sd/-
Dhaval Bharwada
Chief Financial Officer

For and on behalf of the Board

Sd/-
Jagannath S. Shinde
Chairman
DIN: 01435827

Sd/-
Aditi Bhor
Company Secretary

Statement of Profit and Loss for the year ended on 31st March, 2019

(Amount in Rs.)

| | Note No. | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
|--|----------|--|--|
| I) Income | | | |
| I) Income from Operations | 16 | 55,47,57,656 | 55,74,79,736 |
| II) Other Income | 17 | 2,39,91,574 | 2,50,86,177 |
| III) Total Revenue (I+II) | | 57,87,49,230 | 58,25,65,913 |
| IV) Expenses : | | | |
| Cost of Materials Consumed | | | |
| Purchase | | 49,43,42,182 | 48,59,05,804 |
| Changes in Inventory | 18 | 72,36,336 | 1,91,81,601 |
| Employee benefit expenses | 19 | 1,17,84,623 | 1,30,77,330 |
| Finance Cost | 20 | 3,84,198 | 3,27,347 |
| Depreciation and Amortization Expenses | 21 | 15,91,711 | 17,99,874 |
| Other Expenses | 22 | 5,28,08,308 | 4,71,49,023 |
| Total Expenses (IV) | | 56,81,47,359 | 56,74,40,979 |
| V) Profit/(Loss) before prior period, exceptional and extraordinary items and tax (III-IV) | | 1,06,01,871 | 1,51,24,933 |
| VI) Prior Period Expense | | 70,350 | |
| VII) Profit/(Loss) before exceptional and extraordinary items and tax (V-VI) | | 1,05,31,521 | 1,51,24,933 |
| VIII) Exceptional Items | | | |
| Profit on Sale of Investment | | | |
| Profit/(Loss) on Sale of Fixed Assets | | | (12,370) |
| Loss On Discarded Fixed Assets | | (1,28,525) | |
| Reduction in value due to lower NRV | | | |
| Loss due to Permanent Diminution in Value of Long Term Investment | | | |
| Net Loss due to expiry/damage/shortage of Goods | | | |
| IX) Profit/(loss) before extraordinary items and tax (VII-VIII) | | 1,04,02,996 | 1,51,12,563 |
| X) Profit/(Loss) before Tax | | 1,04,02,996 | 1,51,12,563 |
| XI) Tax Expenses | | | |
| i) Current Tax | | 50,32,626 | 44,65,499 |
| ii) Deferred Tax | | 3,31,529 | 1,03,038 |
| iii) Short Provision of Previous Years | | | |
| XII) Profit/(Loss) from Continuing Operations (X-XI) | | 50,38,842 | 1,07,50,102 |
| XIII) Profit/(Loss) for the period | | 50,38,842 | 1,07,50,102 |
| XIV) Earnings per Shares | | | |
| 1) Basic | | 0.14 | 0.31 |
| 2) Diluted | | 0.14 | 0.31 |

The Notes referred to above are an integral part of the Balance Sheet. As per our attached report of even date For Mitesh Mehta & Associates Chartered Accountants
Sd/--
Mitesh Mehta
(Proprietor)
Membership No. : - 041518
Firm Registration No.: 106447W
Place: - Mumbai
Date: - 28th August, 2019

Sd/-
Dhaval Bharwada
Chief Financial Officer

For and on behalf of the Board

Sd/-
Jagannath S. Shinde
Chairman
DIN: 01435827

Sd/-
Aditi Bhor
Company Secretary

Cash Flow Statement for the year ended 31st March, 2019

| | (Amount in Rs.) | |
|---|-----------------------------------|-----------------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 |
| <u>(I) Cash Flow from Operating Activities</u> | | |
| Net Profit Before Tax as per Profit and Loss Statement | 1,04,02,996 | 1,51,24,933 |
| Adjusted for: | | |
| Depreciation and amortization Expenses | 15,91,711 | 17,99,874 |
| Loss on Sale/ Discard on Asset | 1,28,525 | |
| Net Loss due to expiry/damage/shortage of Goods Finance Cost | 3,84,198 | 3,27,347 |
| Operating Profit before Working Capital Changes | 1,25,07,431 | 1,72,52,154 |
| Adjusted for: | | |
| Trade and Other Receivables | 3,28,46,648 | (3,94,41,351) |
| Inventories | 72,36,336 | 1,91,81,601 |
| Trade and Other Payables | (3,07,34,275) | (1,75,21,368) |
| Other Liabilities | (24,07,149) | (1,07,19,180) |
| Provisions | 51,66,542 | 45,00,233 |
| Loans and Advances | (88,37,204) | (50,83,677) |
| Other Current Assets | (1,53,97,235) | 7,22,12,499 |
| Other Non Current Assets | 8,80,544 | (9,32,824) |
| Cash Generated from Operations | 12,61,638 | 3,94,48,088 |
| Taxes Paid (Net) | 50,32,626 | 44,65,499 |
| Net Cash from Operating Activities | (37,70,988) | 3,49,82,588 |
| <u>(II) Cash Flow from Investing Activities</u> | | |
| Purchase of Fixed asset | (8,58,495) | (11,84,883) |
| Purchase of Investments | - | - |
| Sale of Investment | - | - |
| Sale of Fixed Asset | | 1,26,247 |
| Net Cash (Used in) Investing Activities | (8,58,495) | (10,58,636) |
| <u>(III) Cash Flow from Financing Activities</u> | | |
| Finance Cost | (3,84,198) | (3,27,347) |
| Short Term Borrowing | - | - |
| Net Cash (Used in) / Generated from Financing Activities | (3,84,198) | (3,27,347) |
| Net (Decrease) in Cash and Cash Equivalents | (50,13,682) | 3,35,96,605 |
| Opening Balance of Cash and Cash Equivalents | 31,12,26,511 | 27,76,29,904 |
| Closing Balance of Cash and Cash Equivalents | 30,62,12,832 | 31,12,26,511 |

The Notes referred to above are an integral part of the Balance Sheet As per our attached report of even date

For Mitesh Mehta & Associates
Chartered Accountants
Sd/-
Mitesh Mehta
(Proprietor)
Membership No. : - 041518
Firm Registration No.: 106447W
Place: - Mumbai
Date: - 28th August, 2019

Sd/-
Dhaval Bharwada
Chief Financial Officer

For and on behalf of the Board

Sd/-
Jagannath S. Shinde
Chairman
DIN: 01435827

Sd/-
Aditi Bhor
Company Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in Rs.)

| | As at 31st March, 2019 | As at 31st March, 2018 |
|--|------------------------|------------------------|
| Note - 1 Share Capital | | |
| Authorized Capital | | |
| 3,60,00,000 Equity Shares of Rs 10/- each | 36,00,00,000 | 36,00,00,000 |
| 2,00,00,000 8% Preference Shares of Rs 10/- each | 20,00,00,000 | 20,00,00,000 |
| | 56,00,00,000 | 56,00,00,000 |
| Issued,Subscribed and Paid up Capital | | |
| 3,50,46,195 Equity share of Rs. 10/- each Fully Paid in Cash (P.Y 3,50,46,195 of Rs 10 each Fully Paid in Cash) | 35,04,61,950 | 35,04,61,950 |
| 1,51,69,995, 8% Non-Cumulative Non-Convertible Preference Shares of Rs. 10/- each Fully Paid in cash, redeemable on 14th April, 2021.(P.Y. 1,51,69,995 , 8% Non-Cumulative Non-Convertible Pref.shares) | 15,16,99,950 | 15,16,99,950 |
| Total | 50,21,61,900 | 50,21,61,900 |

Reconciliation of the number of shars outstanding at the beginning and at the end of the year

| Particular | Equity Share Capital | | | |
|---|----------------------|-------------------------|--------------------|-------------------------|
| | As at 31.03.2019 | | As at 31.03.2018 | |
| | No. Of Shares | Amount of Share Capital | No. Of Shares | Amount of Share Capital |
| No of shares at the beginning of the year | 3,50,46,195 | 35,04,61,950 | 3,50,46,195 | 35,04,61,950 |
| Add : Shares Issued during the year | - | - | - | - |
| No. of Shares at the end of the year | 3,50,46,195 | 35,04,61,950 | 3,50,46,195 | 35,04,61,950 |

The Company has only one class of equity shares having a par value of Rs 10 per Share. Each holder of equity shares is entitled to one vote per share

| Particular | Preference Share Capital | | | |
|---|--------------------------|-------------------------|--------------------|-------------------------|
| | As at 31.03.2019 | | As at 31.03.2018 | |
| | No. Of Shares | Amount of Share Capital | No. Of Shares | Amount of Share Capital |
| No of shares at the beginning of the year | 1,51,59,995 | 15,15,99,950 | 1,51,59,995 | 15,15,99,950 |
| Add : Shares Issued during the year | - | - | - | - |
| No. of Shares at the end of the year | 1,51,59,995 | 15,15,99,950 | 1,51,59,995 | 15,15,99,950 |

None of the shareholders are holding more than 5% shares in the company

Note - 2 Reserves and Surplus

General Reserve

Opening Balance 29,89,566 29,89,566

Add: Additions During the year

Transfer from Profit & Loss Account

Less: Utilizations during the year

Closing Balance 29,89,566 29,89,566

Profit & Loss A/c (Credit Balance)

Opening Balance (3,74,22,486) (4,81,72,588)

Less: Adjustment to Previous Year's Depreciation

Add: Additions During the year 50,38,842 1,07,50,102

Less: Utilizations during the year

Transfer to General Reserve

Proposed Dividend (3,23,83,644) (3,74,22,486)

Dividend Distribution Tax

Closing Balance Total (2,93,94,078) (3,44,32,920)

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in Rs.)

| | | As at 31st March, 2019 | As at 31st March, 2018 |
|--|--------------|-----------------------------------|-----------------------------------|
| Note - 3 Other Long term Liabilities | | 6,00,000 | 20,70,000 |
| Security Deposit Received | | | |
| Note - 4 Long Term Provisions | Total | 6,00,000 | 20,70,000 |
| Provisions for Employee Benefits | | 1,89,127 | 5,48,300 |
| Note - 5 Other Current Liabilities | Total | 1,89,127 | 5,48,300 |
| Unpaid Dividends | | 41,10,385 | 41,10,385 |
| Others | | | |
| Payable to Employees | | 1,67,569 | 1,59,290 |
| Non Trade Creditors | | 62,16,581 | 53,78,136 |
| Salary / Wages Payable | | 7,62,399 | 10,53,331 |
| Director Remuneration Payable | | | |
| Employees Contribution To Provident Fund Payable | | 85,326 | 72,629 |
| ESIC Liability Payable | | 4,217 | 5,250 |
| Profession Tax Payable | | 5,975 | 8,525 |
| Duties & Taxes Payable | | 10,07,408 | 4,75,325 |
| Advance From Customers | | 7,84,902 | 28,19,040 |
| | Total | 1,31,44,762 | 1,40,81,911 |
| Note - 6 Short Term Provisions | | | |
| Provisions for Employee Benefits | | 20,04,795 | 15,11,706 |
| Others | | | |
| Proposed Dividend | | | |
| Provision For Taxation | | 1,02,62,089 | 52,29,463 |
| Dividend Distribution Tax | | | |
| | Total | 1,22,66,884 | 67,41,169 |

Note - 7 Fixed Assets

| Sr. No. | Particulars | Gross Block | | | Depreciation | | | | Net Block | | |
|---------|-----------------------------------|------------------------|--------------------------|--------------------------|------------------------|-------------------------------|--------------------------|--------------------------|-------------------------------|---------------------|---------------------|
| | | Value as on 01.04.2018 | Addition During the year | Deletion During the Year | Value as on 31.03.2019 | Depreciation as on 01.04.2018 | Addition During the year | Deletion During the Year | Depreciation as on 31.03.2019 | WDV as on 31-3-2019 | WDV as on 31-3-2018 |
| | Tangible Assets | | | | | | | | | | |
| 1 | Land/Plot | - | - | - | - | - | - | - | - | - | - |
| 2 | Building | 6,28,75,422 | - | - | 6,28,75,422 | 2,12,88,598 | 7,79,143 | - | 2,20,67,742 | 4,08,07,681 | 4,15,86,824 |
| 3 | Plant and Machinery | | | | | | | | | | |
| | Electrical Installation | 16,73,305 | - | - | 16,73,305 | 10,32,123 | 11,142 | - | 10,43,265 | 6,30,040 | 6,41,182 |
| | Office Equipment | 35,97,827 | 2,11,413 | 25,012 | 37,84,228 | 26,53,042 | 2,01,128 | 20,305 | 28,33,864 | 9,50,364 | 9,44,785 |
| | Plant and Machinery | 2,04,503 | - | - | 2,04,503 | 1,07,251 | 10,256 | - | 1,17,507 | 86,996 | 97,252 |
| | Furniture and Fixtures | 67,61,280 | - | - | 67,61,280 | 62,36,576 | 64,200 | - | 63,00,776 | 4,60,504 | 5,24,704 |
| | Vehicles (Cars) | - | - | - | - | (0) | - | - | (0) | 0 | 0 |
| | Computer | 46,36,359 | 6,47,082 | 22,24,760 | 30,58,681 | 38,87,945 | 3,34,679 | 21,16,528 | 21,05,921 | 9,52,760 | 7,48,414 |
| | Software | 28,86,467 | - | 3,15,300 | 25,71,167 | 24,90,117 | 1,91,162 | 2,99,535 | 23,81,744 | 1,89,424 | 3,96,351 |
| | LeaseHold Asset (Computer System) | - | - | - | - | - | - | - | - | - | - |
| | Sub Total | 8,26,35,163 | 8,58,495 | 25,65,072 | 8,09,28,587 | 3,76,95,650 | 15,91,711 | 24,36,369 | 3,68,50,818 | 4,40,77,769 | 4,49,39,513 |
| | (B) Intangible Assets | | | | | | | | | | |
| | Total | 8,26,35,163 | 8,58,495 | 25,65,072 | 8,09,28,587 | 3,76,95,650 | 15,91,711 | 24,36,369 | 3,68,50,818 | 4,40,77,769 | 4,49,39,513 |
| | Previous year | 9,55,55,608 | 11,84,883 | 1,41,05,327 | 8,26,35,163 | 4,98,62,487 | 17,99,874 | 1,39,66,710 | 3,76,95,650 | 4,49,39,513 | 4,56,93,121 |

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in Rs.)

| | As at 31st March, 2019 | As at 31st March, 2018 |
|--|---------------------------|---------------------------|
| Note - 8 Non-Current Investments | | |
| Investment in Unquoted Equity Shares 25,38,000 (P.Y. 25,38,000) Equity shares of Rs.10/- each fully paid up in All Indian Origin Chemists and Distributors Ltd. | 2,49,12,450 | 2,49,12,450 |
| Total | 2,49,12,450 | 2,49,12,450 |
| Note - 9 Long Term Loans and Advances | | |
| Security Deposits (Unsecured, Considered Good) | 28,86,153 | 18,68,863 |
| <u>Other Loans and advances</u> | | |
| Balance With Authorities | 40,69,617 | 69,33,723 |
| TDS, Income Tax & Advance Tax | 1,34,24,659 | 64,68,244 |
| Total | 2,03,80,429 | 1,52,70,830 |
| Note - 10 Other Non Current Assets | | |
| <u>Long term Trade Receivables</u> | | |
| i)Secured,Considered Good | | |
| ii) Unsecured, Considered Good | 2,18,46,433 | 2,48,68,659 |
| iii) Doubtful | | |
| iv) Due By Directors,Partners,etc | 1,98,03,693 | 2,19,45,376 |
| <u>Less</u> : Provision for doubtful debts | | |
| Total | 20,42,739 | 29,23,283 |
| Note - 11 Inventory (As taken, Valued and Certified by the Management) | | |
| Finished Goods at Cost | 5,02,61,652 | 4,20,37,481 |
| Less : Reduction in value due to lower NRV | | - |
| Closing Value of Finished Goods | 5,02,61,652 | 4,20,37,481 |
| Goods In Transit | 18,47,089 | 1,73,07,596 |
| Total | 5,21,08,741 | 5,93,45,077 |
| Note - 12 Trade Receivables | | |
| <u>Trade Receivables (Less than Six Months)</u> | | |
| i)Secured,Considered Good | | |
| ii) Unsecured, Considered Good | 5,14,22,057 | 7,78,19,997 |
| iii) Doubtful | | |
| iv) Due By Directors,Partners,etc | | |
| <u>Trade Receivables (More than Six Months)</u> | 24,80,805 | 89,29,512 |
| <u>Less</u> : Provision for doubtful debts | | |
| Total | 5,39,02,862 | 8,67,49,510 |
| Note - 13 Cash and Cash Equivalent | | |
| Balance With Bank | 1,39,11,366 | 3,23,87,105 |
| Earmarked Balance with Bank (Unpaid Dividend) | 41,10,385 | 41,10,385 |
| Cash on Hand | 17,744 | 8,783 |
| Bank Deposits upto 12 months maturity (Unencumbered) | 20,67,95,818 | 1,75,52,536 |
| Bank Deposits upto 12 months maturity (Encumbered) | | - |
| Bank Deposits with More than 12 Months maturity (Unencumbered) | 8,13,77,519 | 25,71,67,702 |
| Bank Deposits with More than 12 Months maturity (Encumbered) | | - |
| Total | 30,62,12,832 | 31,12,26,511 |

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in Rs.)

| | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
|--|--|--|
| Note - 14 Short Term Loans and Advances | | |
| Prepaid Expenses | 2,98,126 | 2,91,596 |
| Loans and advances to related parties (giving details thereof); Others (specify nature). | | |
| i) Secured, Considered Good | | |
| ii) Unsecured, Considered Good | 37,21,074 | - |
| iii) Doubtful | | |
| Total | 40,19,200 | 2,91,596 |
| Note - 15 Other Current Assets | | |
| Advances Receivable in Cash or Kind | 1,07,73,804 | 32,00,944 |
| Advance to Suppliers (Unsecured, Considered Good) | 1,36,17,007 | 49,56,614 |
| Advance to Employees | 4,55,835 | 4,84,835 |
| Other Current Assets | | 8,07,018 |
| Sale of Products | | |
| Total | 2,48,46,646 | 94,49,411 |
| Note - 16 Income From Operation | | |
| | 52,67,73,888 | 53,29,72,346 |
| Export of Products | 6,46,867 | 28,01,474 |
| Sale of Services | 2,73,36,901 | 2,17,05,916 |
| Interest Income | | |
| Total | 55,47,57,656 | 55,74,79,736 |
| Note - 17 Other Income | 1,97,96,670 | 1,86,21,943 |
| TDS C.Y. Rs. 19,71,817/- Rs (P.Y. Rs. 18,04,200/-) | | |
| Other Non-Operating Income | | |
| Rent on Immovable Property | 29,85,943 | 21,56,000 |
| Rent on Lease Hold Asset | - | - |
| Balances written back | 8,51,370 | 6,38,539 |
| Others | 1,38,360 | 35,19,237 |
| Discount Received | | |
| Foreign Exchange Fluctuation | 2,19,230 | 1,50,457 |
| Total | 2,39,91,574 | 2,50,86,177 |
| Note - 18 Changes in Inventory of Finished Goods, Work-In-Progress and Stock-in-Trade | | |
| Closing Stock | 5,21,08,741 | 5,93,45,077 |
| Opening Stock | 5,93,45,077 | 7,85,26,678 |
| Total | (72,36,336) | (1,91,81,601) |
| Note - 19 Employee Benefit Expenses | | |
| Salaries to Employees | 1,06,11,923 | 1,17,50,329 |
| Contribution to Provident and other funds | 9,44,605 | 10,87,531 |
| Staff Welfare Expenses | 2,28,095 | 2,39,470 |
| Total | 1,17,84,623 | 1,30,77,330 |

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in Rs.)

| | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
|---|--|--|
| Note - 20 Finance Cost | | |
| Interest Expenses | 3,84,198 | 3,27,347 |
| Total | 3,84,198 | 3,27,347 |
| Note - 21 Depreciation and Amortization Expenses | | |
| Depreciation | 15,91,711 | 17,99,874 |
| Total | 15,91,711 | 17,99,874 |
| Note - 22 Other Expenses | | |
| Power and Fuel | 11,44,835 | 11,85,942 |
| Rent | 49,86,735 | 27,99,710 |
| Insurance | 4,70,096 | 4,84,061 |
| Rates and Taxes | 13,54,679 | 82,163 |
| Management Fees | - | - |
| Bad Debts | | |
| Bad Debts | 1,09,03,275 | - |
| Add : Provision for doubtful debts | 1,98,03,693 | 2,19,45,376 |
| Less : Last year's provision for doubtful debts | 2,19,45,376 | 1,32,64,859 |
| Miscellaneous Expenditure | 87,61,592 | 86,80,517 |
| C & F Expenses | 17,42,878 | 15,60,000 |
| Net Loss due to expiry/damage/shortage of Goods | 11,12,464 | 15,70,790 |
| Postage & Communication Expenses | 12,49,771 | 8,66,161 |
| Office Expenses | 3,99,787 | 2,34,812 |
| Stationery, Printing Expenses | 8,98,598 | 13,06,121 |
| Information Technology Expenses | 2,83,092 | 2,77,391 |
| Professional And Legal Expenses | 22,52,994 | 19,60,400 |
| Product Registration charges | 59,760 | 2,46,504 |
| Repairs And Maintenance | 2,66,667 | 1,37,343 |
| Travel & Conveyance Expenses | 10,48,735 | 12,94,775 |
| Foreign Travelling Expenses | - | 4,05,264 |
| Interest on TDS & TCS | 3,078 | 81,729 |
| Selling & Distribution | | |
| Freight | 45,96,780 | 56,84,067 |
| Commission paid | 1,75,54,665 | 1,44,77,063 |
| Octroi | - | 28,896 |
| Sales Promotion | 4,34,080 | 49,615 |
| Discount & Rate Difference | 16,31,375 | 26,02,171 |
| Business Promotion Expenses | 12,13,796 | 3,00,430 |
| Directors' Sitting Fees | 1,20,000 | 1,00,000 |
| Payment To Auditors | 4,49,946 | 4,15,860 |
| Other Miscellaneous Expenses | 4,25,106 | 1,17,237 |
| Society Maintenance Charges | 3,64,800 | 2,00,000 |
| Total | 5,28,08,308 | 4,71,49,023 |

MAHARASHTRA SAFE CHEMISTS AND DISTRIBUTORS ALLIANCE LIMITED.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31st March, 2019.

23. Company was incorporated on 16th October, 2006 with Registration No. U24239MH2006PLC165149 and obtained Certificate of Commencement of Business on 15th November, 2006.

23.1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY.

A. System of Accounting:

- I. The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis.
- II. The Company is not a Small Company as defined u/s 2(85) of the Companies Act, 2013. Accordingly, the Company has complied with the Accounting Standards as applicable to not a small company.
- III. The Company, generally, follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.
- IV. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

B. Fixed Assets :

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses. Cost comprises the purchase price and any directly attributable cost of bringing the asset into existence and working condition at the locations for its intended use.

C. Depreciation:

Depreciation on Freehold Tangible Assets is provided on the Straight Line Method over the useful lives of the assets (with residual value as 5%) as estimated by the Management. Depreciation on assets Purchased or sold during a period is proportionately charged. Individual asset costing less than Rs 5000 each is depreciated in full in the year of purchase. Depreciation Method, Useful lives and Residual Values are reviewed periodically at each financial year end. The Depreciation policy so changed in the previous year is consistently followed during the year. Depreciation on leased assets amortized over a period of lease term.

D. Investment:

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is recognized if it is other than temporary.

E. Taxes on Income:

Tax expense comprises both current and deferred taxes. Current income- tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed and

and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

F. Foreign Currency transactions :

The foreign currency transactions are recorded at the rate prevailing on the date of the transaction as provided by the Bank. All monetary assets and liabilities in foreign Currency are translated at relevant rates of exchange prevailing at the year end. When the transaction is settled within the same accounting period as that in which it is occurred, that exchange difference is recognized in that period. However, when the transaction is settled in the subsequent accounting period, the exchange difference recognized in each intervening period up to the period of settlement is determined by change in exchange rate during that period. Foreign currency assets and liabilities are translated into rupees at the exchange rate prevailing on the date of balance sheet.

G. Revenue Recognition:

Revenue from Sales is recognized when all significant risks and rewards of the ownership have been transferred to buyer.

Interest income is recognized on time proportion basis.

Revenue from services rendered is recognized on accrual basis as per agreement with the parties.

Lease rentals are recognised on accrual basis as per terms of relevant agreement.

H. Inventories :

The Inventories are valued at lower of Cost or Net Realizable value.

I. Preliminary Expenses:

Preliminary Expenses is written off over a period of 5 (Five) years commencing from the year in which it is incurred.

J. Provisions:

A provision is recognised when the company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent Liability is not recognized in the financial statements but is disclosed.

K. Retirement Benefits:

a. **Gratuity:** The Company has provided Gratuity liability as on the date of the Balance sheet which is calculated on the basis of last salary drawn (and not on actuarial valuation,).

b. **Leave Encashment:** Leave encashment benefit is provided on the basis of actual liability (i.e. Leave entitled) as on Balance sheet date, (and not on actuarial valuation,) which is calculated on the basis of last salary drawn.

c. **Provident Fund and Other Funds:** The Company's contribution to Provident Fund is charged to Profit and Loss Account.

23.2 CONTINGENT LIABILITY: The Contingent Liabilities as on 31.03.2019 except pending VAT and CST liability amounts to Rs. 11,60,873/- pertaining to pending collection of C forms and F forms.

23.3 The Company owes Rs. 9,217.34 to Micro, Small, and Medium Enterprises, which are outstanding for more than 45 days at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

23.4 Payment to Directors :--

a) Directors' sitting Fees of Rs. 1, 20,000/- (P.Y. Rs.1,00,000/-) paid to the independent directors during the year.

23.5 Related Party Transactions:

| Particulars | Maharashtra Safe chemist & Druggist Association | | Enterprises that have a member of key management in common | | Total | |
|---|---|--------------|--|---------------|---------------|--------------|
| | C.Y. | P.Y. | C.Y. | P.Y. | C.Y. | P.Y. |
| Face Value of the Fixed deposit under encumbered for guaranteeing Loan/ Borrowing | - | - | - | - | - | - |
| Outstanding amount including interest of the Loan /Borrowing obtained by the Company by providing the lien on the Fixed Deposits of the related party | - | - | - | - | - | - |
| Payment made on their behalf | - | - | 0.74 | 5.54 | 0.74 | 5.54 |
| Payment made on our behalf | - | - | 6.10 | 0.23 | 6.10 | 0.23 |
| Payment recd on their behalf | - | - | 0.29 | 0.18 | 0.29 | 0.18 |
| Payment recd on our behalf | - | - | - | 0.57 | - | 0.57 |
| Payment received | - | - | 112.01 | 14.43 | 112.01 | 14.43 |
| Refund of Trade Advance | - | - | - | - | - | - |
| Rent Income | - | - | 33.94 | 25.32 | 33.94 | 25.32 |
| Reimbursement of expenses incurred on their behalf | - | - | 4.83 | 5.59 | 4.83 | 5.59 |
| Sale of material (net of return) | 10.47 | 12.12 | 392.68 | 745.52 | 403.15 | 757.64 |
| Purchase return | - | - | - | 0.02 | - | 0.02 |
| Purchase of material | - | - | - | 2.59 | - | 2.59 |
| Material received on our behalf | - | - | - | (0.46) | - | (0.46) |
| Balance Outstanding as on year end Receivable/ (payable) | 24.13 | 32.85 | 144.44 | 280.53 | 168.57 | 313.8 |

Note: Amounts are inclusive of service tax wherever applicable.

Names of related parties and description of relationship:

| Relationship | Name of the Related Party |
|---|---|
| Some of the Directors of the Company are the Office Bearers of the Related Party. | Maharashtra State Chemists & Druggists Association. |
| The Director of the Company is a partner in a firm | Tapadiya Distributors |
| The Director of the Company is a partner in a firm | Tapadiya Life Sciences |
| The Director of the Company is a partner in a firm | Tapadiya Cosmogen |
| The Chief Financial Officer of the Company is a proprietor of the firm | Nancy Enterprises |
| The Chief Financial Officer of the Company is a proprietor of the firm | Nansun Distributors |
| Enterprises that have a member of key management in common with the reporting enterprise. | All Indian Origin Chemists & Distributors Limited. |
| Enterprises that have a member of key management in common with the reporting enterprise. | AIOCD Pharmasofttech AWACS Pvt. Ltd. |

23.6 Lease

Operating Lease – Lessor

The Company has entered into a Lease and License Agreement, under which it leased the right to use a specified area out of the area of office owned by the Company. The Initial direct cost has been charged to Profit & Loss Account. There is no contingent rent income recognized in profit and loss accounts.

| Particulars | Leasing of Portion of the Office Premises including Furniture and Fittings for the year | |
|--|---|-------------|
| | 2018-19 | 2017-18 |
| Proportionate Gross Carrying of Assets Amt. | 1,90,30,858 | 1,52,90,511 |
| Proportionate Accum. Depreciation | 78,49,269 | 61,23,444 |
| Proportionate Accum. Impairment | - | - |
| Proportionate Depreciation recognized in Profit & Loss Account | 2,28,041 | 2,61,994 |
| Proportionate Impairment Recognized in Profit & Loss Account | - | - |
| Proportionate Contingent Rent Recognized as Profit & Loss A/c | - | - |

Operating Lease - Lessee

Lease payments of Rs. 49,86,735/- (P.Y. Rs. 27,99,710/-) has been recognized in the Profit & Loss Account for the year. There is no sub lease payment received or recognized in Profit and Loss account during the year.

23.7 Deferred Tax :

The Company has recognized Deferred Taxes which result from the timing difference between the Book Profit/ (Loss) and Taxable Profit / (Loss) for the accounting year ended on 31/03/2019 which are as under :-

| Particulars | Balance as at 01-04-2018 | For the period recognized in the Profit & Loss Account / Reversed during the year | Balance as at 31-03-2019 |
|---|--------------------------|---|--------------------------|
| | Amt (Rs.) | Amt (Rs.) | Amt (Rs.) |
| Deferred Tax Liabilities: - | | | |
| Effect of difference in amount of depreciation as per the Companies Act, 1956 and the Income Tax Act, 1961. | 8,22,322 | 4,11,876 | 12,34,198 |
| Deferred Tax Assets : - | | | |
| Effect of expenditure debited to Profit and Loss Account having reasonable certainty of being allowed in subsequent year as per Income Tax Act, 1961. | (4,92,071) | (80,348) | (5,72,419) |
| Net Deferred Tax Liabilities / (Assets) | 3,30,251 | 3,31,528 | 6,61,779 |

23.8 EARNING PER SHARE :-

| Sr. No. | Particulars | 2018-19 | 2017-18 |
|---------|--|-------------|-------------|
| 1. | Profit/ (Loss) before Prior Period Item for the Year attributable to Equity Shareholders | 51,09,192 | 1,07,50,102 |
| 2. | Profit/ (Loss) after Prior P eriod Item for the Year attributable to Equity Shareholders | 50,38,842 | 1,07,50,102 |
| 3. | Weighted Average No. of Equity Shares of Rs. 10/- each | 3,50,46,195 | 3,50,46,195 |
| 4. | Basic Earnings Per Share Before Prior Period Item | 0.14 | 0.31 |
| 5. | Basic Earnings Per Share After Prior Period Item | 0.14 | 0.31 |

Determination of Net Profit Attributable to Equity Shareholders:

| Particulars | 2018-2019 Amt (Rs.) | 2017-2018 Amt (Rs.) |
|--|------------------------|------------------------|
| Net Profit After Tax as per profit and Loss Accounts | Rs 51,09,192 | Rs. 1,07,50,102 |
| Add:- Prior Period Item | Rs 70,350 | - |
| Net Profit After Tax and Prior Period Item as per profit and Loss Accounts | Rs. 50,38,842 | Rs. 1,07,50,102 |
| Less :- Profit Attributable to Preference Dividend | - | - |
| Less :- Tax on Dividend | - | - |
| Net Profit Attributable to Equity Shareholders (After Prior Period Item) | 50,38,842 | 1,07,50,102 |

Determination of Capital for Computation of Basic EPS:

| Particulars | 2018-2019 | 2017-2018 |
|---|-------------|-------------|
| Total No. of Equity Shares as at the beginning of the period. | 3,50,46,195 | 3,50,46,195 |
| Total No. of Equity shares issued & allotted during the year | NIL | NIL |
| Weight age Avg. No. of Equity Shares = $\{(3,50,46,195 \times 365)\} / 365$ | 3,50,46,195 | 3,50,46,195 |

23.9 Claims against the Company not acknowledged as Debts : Rs. Nil (P.Y.Rs.Nil)

23.10 The balances with parties are subject to confirmation.

23.11 Estimated amount of Contracts remaining to be executed on Capital Account and not Provided for (net of advances) Rs. Nil (P.Y. Rs. Nil)

23.12 Previous Year Comparatives

Previous year's figures have been regrouped or rearranged where ever necessary to conform to the current year's classification.

Expenditure and Earnings in Foreign Currency:-

hence, the provision of Clause 3 (ix) of CARO 2016 is not applicable(Rs In Lacs)

| | 2018-2019 | 2017-2018 |
|--|------------------|------------------|
| Earnings in foreign currency | | |
| Exports at F.O.B. Value | 6,46,867 | 28,01,474 |
| | 2018-2019 | 2017-2018 |
| Expenditure in foreign currency | | |
| Product Registration & Development Charges | - | 2.46 |

23.13 Purchase and Sales

| SR NO. | CLASS OF PRODUCTS | PURCHASES IN Rs. (In Lakhs) | | SALES IN Rs. (In Lakhs) | |
|--------|-------------------|-----------------------------|-----------|-------------------------|-----------|
| | | 2018-19 | 2017-2018 | 2018-19 | 2018-2019 |
| 1 | BAG | 1.72 | 1.69 | 1.63 | 2.64 |
| 2 | BOTTLE | 158.24 | 52.37 | 154.25 | 64.73 |
| 3 | CAPSULE | 446.89 | 159.37 | 470.88 | 153.99 |
| 4 | CREAM | 57.92 | 42.08 | 47.16 | 43.29 |
| 5 | DEVICE | 0.01 | 0.36 | 0.01 | 0.37 |
| 6 | DROPS | 5.96 | 5.04 | 5.89 | 5.37 |
| 7 | GRANULES | 0.04 | 0.03 | 0.04 | 0.03 |
| 8 | INHALER | 6.4 | -1.82 | 9.71 | 2.36 |
| 9 | INJECTION | 535.13 | 528.76 | 582.24 | 555.15 |

| SR NO. | CLASS OF PRODUCTS | PURCHASES IN Rs. (In Lakhs) | | SALES IN Rs. (In Lakhs) | |
|--------|-------------------|-----------------------------|-----------------|-------------------------|-----------------|
| | | 2018-19 | 2017-2018 | 2018-19 | 2018-2019 |
| 10 | JAR | 42.82 | 54.07 | 44.14 | 69.65 |
| 11 | KIT | 0.13 | 0.03 | 0.13 | 0.03 |
| 12 | LIQUID | 1,230.64 | 1,439.50 | 1,305.52 | 1,620.81 |
| 13 | LOTION | 16.3 | 5.36 | 2.34 | 5.38 |
| 14 | LOZENGES | 0 | -0.06 | - | 0 |
| 15 | NEEDLE | 0 | 0 | 0.01 | 0 |
| 16 | OINTMENT | 5.17 | 3.71 | 6.88 | 4.25 |
| 17 | PACKET | 256.26 | 246.78 | 242.16 | 325.12 |
| 18 | PEN | 6.79 | 21 | 7.43 | 21.41 |
| 19 | POWDER | 69.57 | 126.78 | 80.95 | 148.81 |
| 20 | SACHET | 5.43 | -0.22 | 5.5 | -1.01 |
| 21 | SOAP | 191.76 | 325.79 | 207.2 | 338.58 |
| 22 | SOLUTION | 20.55 | 9.85 | 20.73 | 11.67 |
| 23 | SPRAY | 12.7 | 0.19 | 10.91 | 0.1 |
| 24 | STICK | 5.17 | 5.29 | 4.63 | 7.72 |
| 25 | SURGICAL | 53.18 | 37.16 | 53.21 | 37.89 |
| 26 | SYRUP | 21.68 | 34.9 | 26.93 | 49.28 |
| 27 | TABLETS | 1,047.39 | 660.66 | 1,116.06 | 721.36 |
| 28 | TUBE | 742.33 | 1,100.05 | 864.15 | 1,168.43 |
| 29 | UNIT | 3.27 | 0.32 | 3.53 | 0.32 |
| | TOTAL | 4,943.42 | 4,859.06 | 5,274.21 | 5,357.74 |

23.14 PAYMENTS TO AUDITOR:-

| | Particulars | 2018-2019 Amt (Rs.) | 2017-2018 Amt (Rs.) |
|------|---|------------------------|------------------------|
| a) | As Auditor | 3,74,946 | 3,40,860 |
| b) | As Adviser, or other capacity, in respect of :- | | |
| i) | Taxation matters | 75,000 | 75,000 |
| ii) | Company law matters | | |
| iii) | Management services | | |

Note: - Above amount is exclusive of Taxes on Services.

23.15 Segment information:

The Company has identified business segments as its primary segment Business segments are primarily Trading in FMCG products, Pharmaceutical Products and Provision of Services as Commission agents. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated. Since the company is operating only in the state of Maharashtra, there are no Geographical Segments identified.

| Particulars | Business segments | | | | | | | | | | Total | |
|----------------------------|-----------------------|--------------|---------------------------------|--------------|----------------------|---------|------------------|-------------|---------------|--------------|---------|---------|
| | TRADING-FMCG PRODUCTS | | TRADING-PHARMACEUTICAL PRODUCTS | | TRADING-REFRIGERATOR | | SALE OF SERVICES | | | | | |
| | 2018-19 | 2017-18 | 2018-19 | 2017-18 | 2018-19 | 2017-18 | 2018-19 | 2017-18 | 2018-19 | 2017-18 | 2018-19 | 2017-18 |
| Revenue | 27,86,13,781 | 37,21,93,445 | 24,85,05,703 | 16,35,80,375 | 3,01,271 | - | 2,73,36,902 | 2,17,05,916 | 55,47,57,657 | 55,74,79,736 | | |
| Inter-segment revenue | - | - | - | - | - | - | - | - | - | - | | |
| Total | 27,86,13,781 | 37,21,93,445 | 24,85,05,703 | 16,35,80,375 | 3,01,271 | - | 2,73,36,902 | 2,17,05,916 | 55,47,57,657 | 55,74,79,736 | | |
| Segment result | (12,31,727) | 45,97,048 | (44,31,686) | (49,09,490) | 27,712 | - | 95,12,237 | 68,68,852 | 38,76,596 | 65,56,410 | | |
| Unallocable expenses (net) | | | | | | | | | 1,74,65,114 | 1,63,17,654 | | |
| Operating income | | | | | | | | | (1,35,88,578) | (97,61,244) | | |
| Other income (net) | | | | | | | | | 2,39,91,574 | 2,48,73,807 | | |
| Profit before taxes | | | | | | | | | 1,04,02,996 | 1,51,12,563 | | |
| Tax expense | | | | | | | | | 53,64,661 | 43,62,461 | | |
| Net profit for the year | | | | | | | | | 50,38,335 | 1,07,50,102 | | |

| Particulars | Business segments | | | | | | | | | | Total | |
|---|-----------------------|-------------|---------------------------------|-------------|----------------------|---------|-----------------------|-----------|--------------|--------------|---------|---------|
| | TRADING-FMCG PRODUCTS | | TRADING-PHARMACEUTICAL PRODUCTS | | TRADING-REFRIGERATOR | | PROVISION OF SERVICES | | | | | |
| | 2018-19 | 2017-18 | 2018-19 | 2017-18 | 2018-19 | 2017-18 | 2018-19 | 2017-18 | 2018-19 | 2017-18 | 2018-19 | 2017-18 |
| Segment assets | 5,14,53,420 | 5,73,62,890 | 6,06,64,684 | 9,61,93,567 | - | - | 34,00,519 | 28,24,274 | 11,55,18,623 | 15,63,80,731 | | |
| Unallocable assets | - | - | - | - | - | - | - | - | 41,69,85,044 | 39,87,27,449 | | |
| Total assets | - | - | - | - | - | - | - | - | 53,26,03,667 | 55,51,08,181 | | |
| Segment liabilities | 44,12,139 | 3,70,61,428 | 3,20,79,112 | 3,45,16,720 | - | - | 29,59,695 | 16,97,664 | 3,94,50,946 | 7,32,75,812 | | |
| Unallocable liabilities | - | - | - | - | - | - | - | - | 1,90,36,117 | 1,37,73,138 | | |
| Total liabilities | - | - | - | - | - | - | - | - | 5,90,87,063 | 8,70,48,950 | | |
| Other information | | | | | | | | | | | | |
| Capital expenditure (allocable) | 4,13,721 | 3,35,358 | 2,10,615 | 3,28,379 | - | - | - | - | 6,24,336 | 6,63,737 | | |
| Capital expenditure (unallocable) | - | - | - | - | - | - | - | - | 4,34,53,432 | 4,42,93,696 | | |
| Depreciation and amortisation (allocable) | 1,22,050 | 1,57,462 | 1,23,773 | 51,288 | - | - | - | - | 2,45,823 | 2,08,751 | | |
| Depreciation and amortisation (unallocable) | - | - | - | - | - | - | - | - | 13,45,888 | 15,91,123 | | |
| Export of Products | - | - | 6,46,867 | 28,01,474 | - | - | - | - | 6,46,867 | 28,01,474 | | |
| Exports Receivables | - | - | 33,60,725 | 29,49,302 | - | - | - | - | 33,60,725 | 29,49,302 | | |

**For Mitesh Mehta & Associates
Chartered Accountants**

Sd/-

**Mitesh Mehta
Proprietor
Membership No - 041518
FRN - 106447W**

For and on behalf of the Board

Sd/-

**Jagannath S.Shinde
Chairman
(DIN:01435827)**

**Date : 28th August,2019
Place : Mumbai**

Sd/-
**Dhaval Bharwada
CFO**

Sd/-
**Aditi Bhor
Company Secretary**

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