

MAHARASHTRA SAFE CHEMISTS & DISTRIBUTORS ALLIANCE LTD.

301, Safalya Bldg. , 3rd Floor, Baburao Parulekar Marg, Dadar (W), Mumbai - 400 028 (MH)
Tel: 2431 0043, 2431 0017, Fax: 2431 0114

NOTICE

NOTICE is hereby given that the 1st Annual General Meeting of the Members of Maharashtra Safe Chemists And Distributors Alliance Limited will be held on Saturday, 29th September, 2007 at 9:30 A.M. at 301, Safalya Building, Baburao Parulekar Marg, Dadar (W), Mumbai - 400 028 to transact the following business:

Ordinary business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 and the Profit & Loss Account for the period ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vinay S. Shroff, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Amarjeet H. Sobti, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s P. H. Sanghavi & Co. Chartered Accountants, as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to fix their remuneration.

Place: Mumbai

Date: 14th April, 2007

By Order of the Board of Directors
**For Maharashtra Safe Chemists And
Distributors Alliance Limited**



**Mr. Jagannath S. Shinde
Chairman**

Notes:

A Member entitled to attend and vote is entitled to appoint a Proxy or Proxies to attend and vote on his / her behalf and the proxy need not be a Member. Proxy form, in order to be effective, must be deposited at the Registered Office of the Company not less than forty-eight hours before the time fixed for the meeting.

MAHARASHTRA SAFE CHEMISTS & DISTRIBUTORS ALLIANCE LTD.

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Tel: 2431 0043, 2431 0017, Fax: 2431 0114

DIRECTORS' REPORT

Your Directors are pleased to present the 1st Annual Report and the Audited Accounts of the Company for the financial period 16th October, 2006 to 31st March 2007.

Financial Performance

	(Amount in Rs.)
	Current year ended 16.10.2006 to 31.03.2007
Income	101,43,927
Expenditure	45,13,165
Profit/ Loss Before Tax	56,30,762
Less: Earlier year Expenses/Exceptional Item	-
Less: Provision for Taxation	23,25,000
Less: Provision for FBT	0
Profit / Loss After Tax	33,05,762
Add: Balance B/F	-
Add:- Deferred tax income	286,602
Amount available for appropriation	35,92,364
Appropriations:	
Interim Dividend paid on Equity Shares	-
Tax on Interim Dividend	-
Balance carried to Balance Sheet	35,92,364

Dividend

No dividend is being recommended by the Directors for the period 16th October, 2006 to 31st March 2007 in view of the cash requirements for establishing the company in its formative years and growth plan.

Review of Operations

No operations took place during the period 16th October, 2006 to 31st March 2007.

Directors

In accordance with the Articles of Association of the Company and the relevant provisions of the Companies Act, 1956, Mr. Vinay S. Shroff Director and Mr. Amarjeet H. Sobti, Director retires by rotation at the ensuing Annual General Meeting, and being eligible offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, the Directors confirm, to the best of the knowledge and belief, that:

- in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures has been made for the same;

- b) appropriate accounting policies have been selected and applied consistently, and such judgement and estimates have been made 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, 2007 and of the profit of the Company for the period from 16th October, 2006 to 31st March 2007;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) the Annual Accounts have been prepared on a 'going concern' basis.'

Auditors

M/s. P. H. Sanghavi & Co., Chartered Accountants, retires at the conclusion of the 1st Annual General Meeting and offers themselves for re-appointment. A certificate from the Auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo

The Company does not fall under any of the industries covered by the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988. Hence the requirements of disclosure in relation to the Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo are not applicable to it.

The Company has not imported any technology during the year. There were no foreign exchange earnings.

Personnel:

Particulars of the employees as required under section 217(2A) of the Companies Act, 1956 read with the companies (Particulars of the Employees) Rules, 1975 are not applicable since, none of the employee of the Company is drawing more than Rs. 24,00,000 p.a. or Rs. 2,00,000 p.m. for the part of the year.

Acknowledgments

Your Directors take this opportunity to express their gratitude for the excellent assistance and co-operation received from the Company's clients, vendors, business associates and bankers. Your Directors place on record their appreciation to the continued team spirit and enthusiasm shown by the officers and staff of the Company. The Company's consistent performance was made possible by their hard work, solidarity, co-operation and support.

Place: **Mumbai**
Date: 14th April 2007

For and on behalf of the Board of Directors
**For Maharashtra Safe Chemists And
Distributors Alliance Limited**



Mr. Jagannath S. Shinde
Chairman

Pankaj Sanghavi
B.Com., LLB (Gen.), FCA

4/95, 2nd Floor, Nityanand Nagar No. IV,
Swami Nityanand Marg,
Opp. Andheri Rly. Station (E),
Mumbai - 400 069.

Telefax : 2684 8873
e-mail : pankajsanghvi@vsnl.net
pankajsanghavi@hotmail.com

Auditor's Report

The Members of **Maharashtra Safe Chemists and Distributors Alliance Limited**

1. We have audited the attached balance sheet of **Maharashtra Safe Chemists and Distributors Alliance Limited**, as at 31st March 2007, the Profit and Loss Accounts for the period ended on that date annexed there to. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosure in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of accounts as required by the law have been kept by the company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account dealt with by this report are in the agreement with the books of accounts;
 - (iv) In our opinion, Balance Sheet, Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;



- (v) On the basis of written representation received from the Directors, as on 31st March 2007 and taken on the record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2007 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
- (vi) In the absence of the notification in the official gazette of the Central Government, the Company has not made any provision for cess payable under section 441A of the Companies Act, 1956. As per the explanations given to us, the required provision for cess payable shall be made in accordance with the notification, as and when issued by the Central Government in its official gazette.
- (vii) In Our Opinion and to the best of our information and according to the explanation give to us the said financial statements read together with the other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2007;
 - In the case of the Profit and Loss Account, of the profit for the period ended on that date;



For P.H.Sanghavi & Co.
Chartered Accountants

A handwritten signature in black ink, appearing to read "Pankaj Sanghavi".

Pankaj Sanghavi
Proprietor

Membership No. : - 41290

Place: - Mumbai

Date:- 14/4/2007

Annexure to Auditor's Report

Re: **Maharashtra Safe Chemists and Distributors Alliance Limited**

Referred to in paragraph 3 of our report of even date,

- (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, all the assets have been physically verified by the management during the period as per regular programme of verification which, in our opinion, is reasonable having regards to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanation given to us, the company has not disposed off any a major part of the fixed assets during the period.
- (ii) In our opinion and according to the information and explanation given to us, the Company has not done any trading activity during the period, and also did not hold any inventory. Therefore in our opinion, the clauses 4 (ii) (a), 4 (ii) (b) and 4 (ii) (c) of the Companies (Auditors Report) Order, 2003 are not applicable.
- (iii) (a) 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, firm or other parties covered under section 301 of the Companies Act, 1956. Therefore in our opinion, the clauses 4 (iii) (a), 4 (iii) (b), 4 (iii) (c) and 4 (iii) (d) of the Companies (Auditors Report) Order, 2003 are not applicable.
- (b) In our opinion and according to the information and explanation given to us, the Company has taken advance from the three directors being a parties covered in the register maintained under section 301 of the Companies Act, 1956. The Maximum amount involved during the accounting period was Rs.32000/- and the closing balance as at the balance sheet date also is Rs. 32000/-
- (c) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions on which the advance have been taken from companies, firm or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- (d) In our opinion and according to the information and explanation given to us, the Company has taken advance from the three directors of the Company; terms of repayment of same are not stipulated. The Company has not repaid the said loan.



- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regards to purchase of inventory, fixed assets and with regards to sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) In our opinion and according to the information and explanation given to us, the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposit from the public. Therefore in our opinion, the clause 4 (vi) of the Companies (Auditors Report) Order, 2003 is not applicable.
- (vii) In our opinion and according to the information and explanation given to us, the Company is excluded from the requirement of internal audit system as:-
(a) it is not a listed Company, or,
(b) Capital and Reserves of the company did not exceed Rs. 50 lacs as at the commencement of the financial period, or,
(c) The Company does not have an average annual turnover exceeding five crores rupees for a period of three consecutive financial years immediately preceding the financial period under consideration.
Therefore in our opinion, the clause 4 (vii) of the Companies (Auditors Report) Order, 2003 is not applicable.
- (viii) In our opinion and according to the information and explanation given to us, the Company is not engaged in production, processing, manufacturing or mining activities, hence Company is not required to maintain cost records under section 209 (1) (d) of the Companies Act, 1956. Therefore in our opinion, the clause 4 (viii) of the Companies (Auditors Report) Order, 2003 is not applicable.
- (ix) (a) ***In our opinion and according to the information and explanation given to us, the Company is not so regular in depositing with appropriate authorities undisputed statutory dues including income tax, service tax, profession tax, cess, applicable to it. The penalty if any, under the relevant acts is not quantified and provided for.***
- (b) In our opinion and according to the information and explanation given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, custom duty, excise duty, cess were in arrears, as at 31st March 2007 for the period of more than six month from the date they became payable.

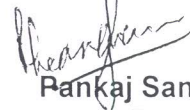


- (c) In our opinion and according to the information and explanation given to us, there are no dues of income tax, sales tax, cess which have not been deposited on account of any dispute.
- (x) In our opinion and according to the information and explanation given to us, the Company is registered for the period of less than five years; Therefore in our opinion, the clause 4(x) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xi) In our opinion and according to the information and explanation given to us, the Company has not obtained any loan from any financial institution or bank. The Company has not issued any debentures. Therefore in our opinion, the clause 4(xi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xii) In our opinion and according to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore in our opinion, the clause 4(xii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanation given to us, the company is not a chit fund or a *nidhi* / mutual benefit fund/ society. Therefore in our opinion, the clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xiv) In our opinion and according to the information and explanation given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Therefore in our opinion, the clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xv) In our opinion and according to the information and explanation given to us, the terms and conditions on which the company has given guarantees for loan taken by others from banks or financial institutions are not prejudicial to the interest of the company.
- (xvi) In our opinion and according to the information and explanation given to us, the Company has not taken any term loan. Therefore in our opinion, the clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xvii) In our opinion and according to the information and explanation given to us, and on overall examination of the balance sheet of the company, we report that the no fund raised on short term basis have been used for long term investment. No long term funds have been used to finance short term assets except permanent working capital.
- (xviii) In our opinion and according to the information and explanation given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.



- (xix) In our opinion and according to the information and explanation given to us, the Company has not issued any debenture. Therefore in our opinion, the clause 4(xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xx) In our opinion and according to the information and explanation given to us, the Company has not raised any money by way of public issues. Therefore in our opinion, the clause 4(xx) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xxi) In our opinion and according to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For P.H.Sanghavi & Co.
Chartered Accountants



Pankaj Sanghavi
Proprietor

Membership No.41290

Place: - Mumbai
Date : - 14/4/2007

MAHARASHTRA SAFE CHEMISTS & DISTRIBUTORS ALLIANCE LTD.


BALANCE SHEET AS ON 31ST MARCH, 2007

Amount in Rs.
As at 31st March,
2007

Particulars	Schedules	Amount in Rs. As at 31st March, 2007
I SOURCE OF FUNDS		
SHAREHOLDERS FUNDS		
Share Capital	1	27,00,000
Share Application money pending allotment		50,58,83,772
Reserves and Surplus	2	35,92,364
LOANS		
Secured Loans		-
Unsecured Loans		-
TOTAL		51,21,76,136
II APPLICATION OF FUNDS		
FIXED ASSETS		
Tangible Assets		
Gross Block		3,08,740
less: Depreciation		1,48,064
Net Block		1,60,676
INVESTMENTS		
		-
DEFERRED TAX ASSETS	4	2,86,602
CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets		
Sundry debtors		92,626
Cash & Bank Balance		48,94,98,588
Other current assets		11,80,472
Loans and Advances		2,21,00,000
		51,28,71,686
Less: CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	6	98,421
Other Current Liabilities		2,18,243
Provisions		23,25,000
		26,41,664
Net Current Assets		51,02,30,022
MISCELLANEOUS EXPENDITURES (to the extent not written off)	7	14,98,836
TOTAL		51,21,76,136
NOTES TO THE ACCOUNTS		
	8	

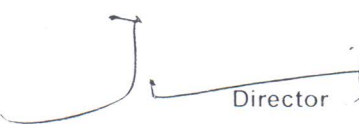
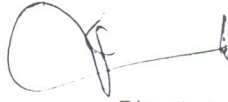
The Schedules referred to above are an integral part of the Balance Sheet
As per our attached report of even date

For P.H.Sanghavi & Co.
Chartered Accountants


Pankaj Sanghavi
Proprietor
Membership No.: 41290
Date : 14-04-2007
Place : Mumbai



For Maharashtra Safe Chemists
Distributors Alliance Limited

 Director
 Director

MAHARASHTRA SAFE CHEMISTS & DISTRIBUTORS ALLIANCE LTD.
SCHEDULES FORMING PART OF BALANCESHEET

Particulars	Amount in Rs. As at 31st March, 2007	
<u>SCHEDULE -1 SHARE CAPITAL</u>		
Authorised		
3,60,00,000 Equity Shares of Rs 10/- each		36,00,00,000
2,00,00,000 Preference Shares of Rs 10/- each		20,00,00,000
		<u>56,00,00,000</u>
Issued, Subscribed, Called up & Paid up		
Equity Shares		
2,70,000 Equity Shares of Rs 10 each Fully Paid in Cash		27,00,000
		<u>27,00,000</u>
<u>SCHEDULE -2 RESERVES AND SURPLUS</u>		
Profit & Loss Account		35,92,364
		<u>35,92,364</u>
<u>SCHEDULE -4 DEFERRED TAX ASSETS</u>		
Effect of Difference in amount of depreciation as per the Companies Act 1956 and as per the Income Tax Act 1961.		18,662
Effect of expenditure debited to Profit and Loss Account in the current period and likely to be allowed in the subsequent years as per the Income Tax Act 1961. (Tax Rate taken as 33.66%)		2,67,940
		<u>2,86,602</u>
<u>SCHEDULE -5 CURRENT ASSETS, LAONS AND ADVANCES</u>		
<u>Current Assets</u>		
Sundry debtors		
(All considered good)		
Debtors exceeding 6 months		
Debtors others (Commission Receivable)	92,626	92,626
Cash & Bank Balance		
Cash on Hand		
Balance with Schedule Bank		
On Current accounts	2,69,37,632	
On Deposit accounts	46,25,60,957	48,94,98,588
Other Current Assets		
TDS Receivable	10,95,694	
Other Receivables	84,778	11,80,472
		<u>49,07,71,686</u>
Total Current Assets		
<u>Loans and Advances</u>		
Advance recoverable in cash or kind or for value to be received considered good		
Advance for Capital Asset		2,21,00,000

For Maharashtra Safe Chemists & Distributors Alliance Ltd.

For Maharashtra Safe Chemists & Distributors Alliance Lt

Director

Direct

MAHARASHTRA SAFE CHEMISTS & DISTRIBUTORS ALLIANCE LTD.
SCHEDULES FORMING PART OF BALANCESHEET

Amount in Rs.
As at 31st March,
2007

Particulars

Total Loans and Advances

2,21,00,000

TOTAL

51,28,71,686

SCHEDULE -6 CURRENT LIABILITIES & PROVISIONS

Current Liabilities

Sundry Creditors

Creditors for Goods

-

Creditors for Expenses

98,421

98,421

Other Current Liabilities

Dues to Directors

32,000

TDS Payable

93,617

Service Tax Payable

92,626

2,18,243

Total Current Liabilities

3,16,664

Provisions

Provision For Taxation

23,25,000

Provision for FBT

-

Total Provisions

23,25,000

TOTAL

26,41,664

SCHEDULE -7 MISCELLANEOUS EXPENDITURE

Preliminary Expenses

18,73,545

Less : 1/5 written off During Year

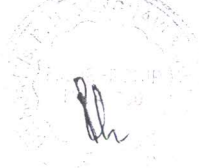
3,74,709

14,98,836

14,98,836

For Maharashtra Safe Chemists & Distributors Alliance Ltd.

For Maharashtra Safe Chemists & Distributors Alliance Ltd



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Director

[Handwritten Signature]

Director

MAHARASHTRA SAFE CHEMISTS & DISTRIBUTORS ALLIANCE LTD.
 SCHEDULE: 3 FIXED ASSETS Amount in Rs.

Particulars	Rate of Depreciation	Gross Block				Depreciation				Net Block	
		Opening Balance as on 16.10.2006	Additions during the Period	Sale / Deduction	Closing Balance as on 31.3.2007	Opening Balance as on 16.10.2006	Depreciation during the period	Provision on the Sale of Assets	Closing Balance as on 31.3.2007	Opening Balance as on 16.10.2006	Closing as on 31.03.2007
Plant and Machinery (Software)	100%	-	1,15,440	-	1,15,440	-	1,15,440	-	1,15,440	-	-
Plant and Machinery (Computers)	40%	-	1,93,300	-	1,93,300	-	32,624	-	32,624	-	1,60,676
TOTAL		-	3,08,740	-	3,08,740	-	1,48,064	-	1,48,064	-	1,60,676

Particulars	Opening Balance as on 1.4.2006	Addition	Converted in to Assets/Disposed off	Balance at the End of the Year 31.3.2007
Capital Work in Progress	-	-	-	-



[Signature]
 For Maharashtra Safe Chemists & Distributors Alliance Ltd.
 Director

[Signature]
 For Maharashtra Safe Chemists & Distributors Alliance Ltd.
 Director

MAHARASHTRA SAFE CHEMISTS & DISTRIBUTORS ALLIANCE LTD.

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON 31st MARCH 2007

Particulars	Schedule	Amount in Rs. For the period Ended 31st March 2007
INCOME		
Other Income	A	1,01,43,927
		<u>1,01,43,927</u>
EXPENDITURE		
Administrative & Sales Expenses	B	40,39,526
Bank Charges		3,25,575
Depreciation	3	1,48,064
		<u>45,13,165</u>
PROFIT/LOSS BEFORE TAX		<u>56,30,762</u>
Less:- Provisions		
Provision for Taxation		23,25,000
Provision for FBT		-
Add:-		
Deferred Tax Asset	4	2,86,602
PROFIT/LOSS AFTER TAX		<u>35,92,364</u>
Net Profit Brought forward from Earlier Years		-
Appropriation:-		
Profit/Loss to be Carried Forward		<u>35,92,364</u>
Earning Per Share (Refer Item No. 8 of Schedule 8)		13.31
NOTES TO THE ACCOUNTS	8	


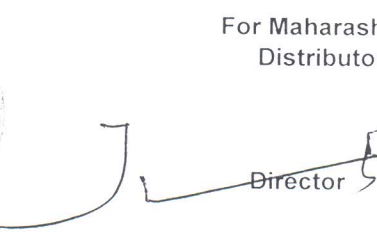
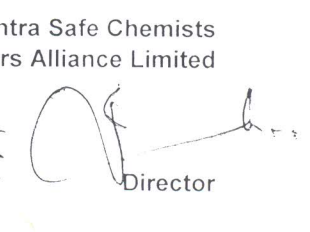
The Schedules referred to above are an integral part of the Balance Sheet
As per our attached report of even date

For P.H.Sanghavi & Co.
Chartered Accountants


Pankaj Sanghavi
Proprietor

Membership No.: 41290
Date : 14-04-2007
Place : Mumbai

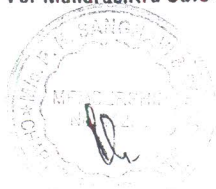
For Maharashtra Safe Chemists
Distributors Alliance Limited

  
Director Director

MAHARASHTRA SAFE CHEMISTS & DISTRIBUTORS ALLIANCE LTD.
SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNTS

Particulars	Amount in Rs. For the period Ended 31st March 2007
<u>SCHEDULE A- OTHER INCOME</u>	
Commission	7,56,748
Interest Received on Deposits with bank (TDS Rs.10,95,394)	93,87,179
	<u>1,01,43,927</u>
<u>SCHEDULE B- ADMINISTRATIVE AND SELLING EXPENSES</u>	
Administration Expenses	3,50,000
Auditor's Remuneration	
Audit Fees	56,180
Conference & Meeting Expenses	2,97,872
Postage and Telegram	2,700
Printing and Stationery	1,31,601
Professional Fees	6,55,964
ROC Filing Fee and Registration Charges	15,50,500
Stamp Duty	6,20,000
Preliminary Expenses W/off	3,74,709
	<u>40,39,526</u>

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



[Handwritten Signature]

Director

[Handwritten Signature]

Director

MAHARASHTRA SAFE CHEMISTS AND DISTRIBUTORS ALLIANCE LIMITED.

SCHEDULE '8': NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PRIOR ENDED MARCH 31, 2007.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY.

Company was incorporated on 16th October, 2006 and obtained Certificate of Commencement of Business on 15th November, 2006. This being the First Accounting period of the company the Profit and Loss account is prepared for the period from the date of incorporation till 31st March 2007 and Balance sheet as at 31st March 2007.

(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, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.
- II. The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized 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:

Dedicated Computer software, purchased for the capturing data of collection of share application money, used during the period and hence depreciated fully in the current year.

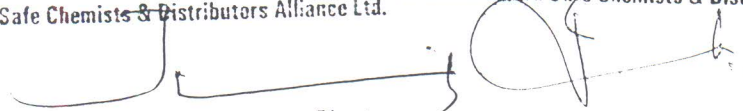
On other Fixed Assets, Depreciation is provided on "Written Down Value Basis" as per the rates specified in Schedule XIV of the Companies Act, 1956. Proportionate depreciation is charged for additions/deletions during the year. Individual asset costing less than Rs 5000 are depreciated in full in the year of purchase.

(D) 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 or substantively 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 realised. 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 realised against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed 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 realised.

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


Director

Director



(E) Revenue Recognition:

Interest income is recognized on time proportion basis. Revenue from commission income is recognized on accrual basis as per agreement with the parties

(F) Preliminary Expenses:

Preliminary Expenses is written off over a period of 5 (Five) years commencing from the current accounting period

The expenses pertaining to increase in Authorised Capital of the Company and pertaining to share application money have been fully charged to the Profit and Loss Account for the current accounting period.

(G) 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.

2. The Company was incorporated on 16th October 2006 and obtained Certificate of Commencement of Business on 15th November, 2006; hence previous year's figures in the Financial Statements and Schedule thereto are not available.

3. **CONTINGENT LIABILITY :**

The following facilities granted to a firm, by Bank have been securitised by the guarantee of the Company under which CD Plus / DBD's of the company having face value of Rs.550.00 lakhs have been kept under pledge by Bank :-

(1) Bank Guarantee	Rs. 200.00 Lakhs
(2) Cash Credit	Rs. 350.00 Lakhs

4. There is no Micro, Small, and Medium Enterprises, to whom the company owes, 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.

5. Payment to Director :--Nil

6. **Related Party Transactions:**

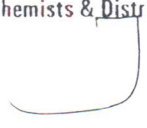

(Amount in Rs.in Lakhs)

	Maharashtra Chemists & Association.	State Druggists	Key Personnel	Management	Total
Advance received				0.32	0.32
Equity Contribution received in Cash				16.00	16.00
Trade Deposit		221.00			221.00
Reimbursement of expenses		7.44			7.44
Service Charges		8.50			8.50

Balance of Advance outstanding as at 31.3.2007 Rs 32000/-

For Maharashtra Safe Chemists & Distributors Alliance Ltd.

For Maharashtra Safe Chemists & Distributors Alliance Ltd.

Director

Director



Names of related parties and description of relationship:

Relationship	Name of the Related Party
Key Management Personnel(Directors)	Mr. Jagannath S. Shinde Mr. Vinay Shroff Mr. Vajinath Jagushte Mr. Anil Navandar
Some of the Directors of the Company are the Office Bearers of the Related Party.	Maharashtra State Chemists & Druggists Association.

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 period ended on 31/03/2007 which are as under :-

Particulars	Balance as at 16-10-2006	For the period recognized in the Profit & Loss Account	Balance as at 31-03-2007
	Amt (Rs.)	Amt (Rs.)	Amt (Rs.)
Deferred Tax Liabilities on account of Timing Difference in : -			
1	NIL	NIL	NIL
Deferred Tax Assets on account of Timing Difference in : -			
1. Depreciation/ Amortisation	NIL	18,662	18,662
2. Section 35D Disallowance	NIL	1,17,039	1,17,039
3. Section 43B Disallowance	NIL	31,178	31,178
4. Section 40(a)(ia) Disallowance	NIL	1,19,722	1,19,722
Net Amount Deferred Tax Asset (Rs.)	NIL	2,86,602	2,86,602

8. EARNING PER SHARE :-

Sl. No.	Particulars	2006-2007
1.	Profit/ (Loss) for the Year attributable to Shareholders	Rs. 35,92,364
2.	Average No. of Equity Shares of Rs. 10/- each	2,70,000
3.	Basic Earning Per Share	Rs.13.31

Determination of Capital for Computation of Basic EPS:

Total No. of Equity shares as on incorporation	2,70,000
Total No. of Equity shares issued & allotted during the year	0
Avg. No. of Equity Shares =	2,70,000

9. Claims against the Company not acknowledged as Debts : Nil

10. The balances with parties are subject to confirmation.

For Maharashtra Safe Chemists & Distributors Alliance Ltd.

For Maharashtra Safe Chemists & Distributors Alliance Ltd.

Director

Director

11. Estimated amount of Contracts remaining to be executed on Capital Account and not Provided for –
The Company is in the process of entering into an MOU for acquisition of the commercial premises having total cost of acquisition estimated at Rs.6.00 crore out of which advance of Rs. 2.21 crore has been given. The balance amount of Rs.3.79 crore is commitment on contract remaining to be executed on capital account not provided for.

12. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3 OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956: -

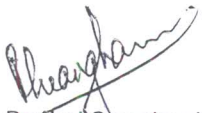
A. EXPENDITURE AND EARNINGS IN FOREIGN CURRENCY:- Nil

B. PAYMENT TO AUDITOR :-

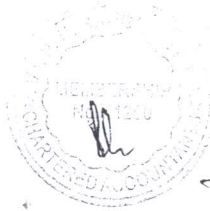
	Particulars	2006-07 Amt (Rs.)
a)	As Auditor	56,120/-
b)	As Adviser, or other capacity, in respect of :-	
i)	taxation matters	
ii)	Company law matters	
iii)	Management services	
c)	In any other manner	1,23,464/-

Note: - Above amount is inclusive of Service Tax.


For P.H.Sanghavi & Co.
Chartered Accountants




Pankaj Sanghavi
Proprietor
Membership No.: 41290
Date: 14-04-2007
Place: Mumbai



For Maharashtra Safe Chemists
& Distributors Alliance Ltd.



Director



Director

PART IV

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

- I. Companies Registration Details
- | | | | |
|----|---------------------|---|-------------------------------|
| a) | Registration number | - | 165149 |
| b) | State code | - | 11 |
| c) | Balance Sheet Date | - | 31 st March, 2007. |
- II. Capital raised during the year (Amount in Rs. thousands)
- | | | | |
|----|-------------------|---|----------|
| a) | Public issue | - | NIL |
| b) | Rights issue | - | NIL |
| c) | Bonus issue | - | NIL |
| d) | Private placement | - | 2,700.00 |
- III. Position of Mobilization and deployment of funds (Amount in Rs. thousands)
- | | | | |
|----|-------------------|---|-------------|
| a) | Total Liabilities | - | 5,12,176.14 |
| b) | Total Assets | - | 5,12,176.14 |
- Sources of funds
- | | | | |
|----|-------------------------|---|-------------|
| a) | Paid-up capital | - | 2,700.00 |
| b) | Share Application Money | | |
| | Pending for Allotment | - | 5,05,883.77 |
| c) | Reserves & Surplus | - | 3,592.36 |
| d) | Secured Loans | - | NIL |
| e) | Unsecured Loans | - | NIL |
- Application of funds
- | | | | |
|----|---------------------|---|-------------|
| a) | Net Fixed Assets | - | 160.68 |
| b) | Investments | - | NIL |
| c) | Deferred Tax Assets | - | 286.60 |
| d) | Net Current Assets | - | 5,10,230.02 |
| e) | Misc. Expenditure | - | 1,498.84 |
| f) | Accumulated Losses | - | NIL |
- IV. Performance of the Company: (Amount in Rs. thousands)
- | | | | |
|----|----------------------------|---|------------|
| a) | Turnover | - | NIL |
| | Other Income | - | 10,143.93 |
| b) | Total Expenditure | - | 4,513.16 |
| | • Profit/Loss before tax | - | + 5,630.76 |
| | • Profit/Loss after tax | - | + 3,592.36 |
| | • Earning per share in Rs. | - | 13.31 |
| | • Dividend rate % | - | NIL |
- V. Generic names of three principal products/services of company (as per monetary terms)
- | | | |
|----|--------------------------|---|
| a) | Item code No. (ITC code) | - |
| b) | Product Description | - |

For Maharashtra Safe Chemists
& Distributors Alliance Ltd.

Director

Director

MAHARASHTRA SAFE CHEMISTS & DISTRIBUTORS ALLIANCE LTD.

REVISED INCOME TAX COMPUTATION

Year Ended : 31-3-2007

PAN : AAECM8288K

A..Y. 2007-2008

Revised Computation of Total Income	Rs	Rs	Rs
PROFIT AND GAINS OF BUSINESS AND PROFESSION			
Net Profit as per Profit & Loss account		35,92,364	
Add: Items considered separately			
Tax Provision	23,25,000		
FBT Provision	-		
Deffered Tax			
Preliminary Exp W/off	3,74,709		
Depreciation as per Companies Act	1,48,064	28,47,773	
Add:			
Disallowance u/s 43B Service Tax	92,626		
Disallowance u/s 40(a)(ia)	3,55,683	4,48,309	
Less: Items considered separately			
Income taxable under separate head	93,87,179		
Deferred Tax Asset	2,86,602	96,73,780	
Less: Deduction as per Income Tax Act 1961			
Depreciation as per Income Tax Act 1961 (Annexure I)		92,622	
Preliminary Exp W/off u/s 35D			
Capital Employed- issued capital	27,00,000		
Preliminary exp incurred	18,73,545		
Maximum Celing -5% of Capital Employed	1,35,000		
Qualifying expenditure	1,35,000		
Deduction u/s35D 1/5 of the expenditure		27,000	
Loss from Business / profession			(29,04,957)
INCOME FROM OTHER SOURCES			
Interest from deposits with bank.		93,87,179	
Gross Total Income		64,82,222	
Less: Deductions under Chapter VI A			
Total Income		64,82,222	
Rounded off to		64,82,220	
Tax thereon incl surcharge & education cess		21,81,915	
Less: Tax deducted at source		10,95,694	
		10,86,221	
Less: Advance tax paid			
Date	Amount (Rs)		
June 15, 2006	-		
September 15, 2006	-		
December 15, 2006	-		
March 15, 2007	-		
		10,86,221	
Add: Interest u/s 234 B		76,035	
Add: Interest u/s 234 C		36,686	
Self Asst. Tax Paid		12,50,859	
			TAX REFUNDABLE (51,916)