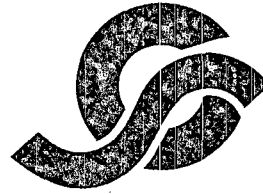


30th Annual Report 2006-2007



SCANA COLOR (INDIA) LIMITED

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ANNUAL REPORT 2006-2007

SCANA COLOR (INDIA) LIMITED**30TH ANNUAL REPORT 2006 – 2007****Board of Directors**

Mrs. Nandita Damani	-	Managing Director
Mr. Amish Modi	-	Director
Mr. Hemang Sampat	-	Director
Mr. Rajeev Jain	-	Director
Mr. Rajendra Modi	-	Director

Auditors

Arvind Darji Associates,
Chartered Accountants

Bankers

CENTRAL BANK OF INDIA

Registered office

125, T. V. Industrial Estate
Opp. Hind Cycles, Pandurang
Budhakar Marg, Worli,
Mumbai-400 025.

Equity shares are listed on

The Stock Exchange, Mumbai
The Stock Exchange, Ahmedabad
The Stock Exchange, Hyderabad

Register and share transfer agent

System Support Services
209, Shivai Industrial Estate,
89, Andheri Kurla Road,
Sakinaka, Andheri (East),
Mumbai – 400 072.

Day & Date

Saturday, September 29, 2007

Time

11.30 a.m.

SCANA COLOUR (INDIA) LIMITED

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ANNUAL REPORT 2006-2007**NOTICE TO THE MEMBERS**

NOTICE is hereby given that the 30TH Annual General Meeting of the members of **SCANA COLOR [INDIA] LIMITED** will be held on Saturday, September 29, 2007 at 11.30 am at the Registered Office of the Company at 125, T.V. Industrial Estate, Pandurang Budhakar Marg, Worli, Mumbai-400 025 to transact with or without modification[s] the following business:

ORDINARY BUSINESS:

- 1] To receive, consider and adopt the Audited Balance Sheet as at March 31, 2007 and Profit and Loss Account for the year ended March 31, 2007 together with the Reports of the Directors and Auditors thereon.
- 2] To appoint a Director in place of Mr. Rajeev Jain who retires from office by rotation, and being eligible offers himself for re-appointment.
- 3] To appoint a Director in place of Mr. Rajendra Modi who retires from office by rotation, and being eligible offers herself for re-appointment.
- 4] To reappoint the retiring auditor for auditing the financial year accounts.

SPECIAL BUSINESS:

- 5] To consider, and if thought fit, to pass, with or without modification as an Ordinary Resolution :

"RESOLVED THAT Mr. Amish Modi who was appointed as an Additional Director at the meeting of the Board of Directors held on November 24, 2006 and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Amish Modi as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

- 6] To consider, and if thought fit, to pass, with or without modification as an Ordinary Resolution :

"RESOLVED THAT Mr. Hemang Sampat who was appointed as an Additional Director at the meeting of the Board of Directors held on November 24, 2006 and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Hemang Sampat as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

- 7] To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to section 293(1)(d) and other applicable provisions of the Companies Act, 1956 consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any such sum or sums of moneys on such terms & conditions and with or without security as the Board of Directors may think fit which, together with the moneys already borrowed by the Company may exceed the aggregate for the time being of the paid up capital and its free reserves."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do and perform all such acts, deeds and things as may be necessary, desirable or expedient to give effect to this Resolution."

Registered Office

SCANA COLOR [INDIA] LTD
125, T.V.Industrial Estate,
Pandurang Budhakar Marg,
Worli, Mumbai-400 025
September 01, 2007

For and behalf of the Board

Nandita Damani
Director

SCANA COLOUR (INDIA) LIMITED**NOTES:**

- 1] A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THAT PROXY NEED NOT BE A MEMBER. OF THE COMPANY.

THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED NOT LESS THAN FORTY-EIGHTY HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

- 2] The register of Members and the Share Transfer Books of the Company will remain closed from Thursday, September 27, 2007 to Saturday, September 29, 2007 [both days inclusive].
- 3] Members who desire to seek any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.
- 4] Members / Proxies are requested to please bring their copies of the Annual Report to the meeting since copies of the Annual Report will not be distributed at the meeting.
- 5] The Company its shares are listed on The Stock Exchange, Mumbai, The Stock Exchange, Ahmedabad and The Stock Exchange, Hyderabad.
- 6] Members holding Shares in Physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given below and in case their shares are held in Demat, this information should be passed on directly to their respective Depository Participants and not to the Company.
- 7] All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all working days except public holidays between 11.00 am and 1.00 pm upto the date of the Annual General Meeting.
- 8] Members / Proxies holding their Shares in Physical mode are requested to fill the enclosed attendance slip and handover the same at the entrance with signature. In the absence thereof, they may not be admitted to the meeting venue.
- 9] Members who are holding shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.
- 10] In all correspondence with the Company, members are requested to quote their Folio No. and in case their shares are held in Demat form, they must quote their DP ID and Client ID Number.
- 11] The explanatory statement U/s. 173 of the Companies Act, 1956 is enclosed herewith.

ANNUAL REPORT 2006-2007**EXPLANATORY STATEMENT AS REQUIRED U/S. 173[2] OF THE COMPANIES ACTS, 1956****ITEM 5 :**

Mr. Amish Modi has been appointed as an additional director of the Company pursuant to section 260 of the Companies Act, 1956 and would hold office till the date of the ensuing Annual General Meeting. As Mr. Amish Modi has extensive experience in finance, it would be immensely beneficial to the Company to have him as a director.

Pursuant to section 257 of the Companies Act, 1956 the Bank has received notices from members signifying their intention to propose the candidature of Mr. Amish Modi for the office of Director. The Board of Directors recommend passing of the resolution set out in item No. 5 of the accompanying Notice.

None of the Directors of the Company is deemed to be concerned or interested in the Resolution.

ITEM 6 :

Mr. Hemang Sampat has been appointed as an additional director of the Company pursuant to section 260 of the Companies Act, 1956 and would hold office till the date of the ensuing Annual General Meeting. As Mr. Hemang Sampat has extensive experience in accounts and finance, it would be immensely beneficial to the Company to have him as a director.

Pursuant to section 257 of the Companies Act, 1956 the Bank has received notices from members signifying their intention to propose the candidature of Mr. Hemang Sampat for the office of Director. The Board of Directors recommend passing of the resolution set out in item No. 6 of the accompanying Notice.

None of the Directors of the Company is deemed to be concerned or interested in the Resolution.

Registered Office

SCANA COLOR [INDIA] LTD
125, T.V.Industrial Estate,
Pandurang Budhakar Marg,
Worli, Mumbai-400 025
September 01, 2007

For and behalf of the Board

Nandita Damani
Director

SCANA COLOUR (INDIA) LIMITED**DIRECTORS' REPORT TO THE SHAREHOLDERS**

Your Directors have great pleasure in presenting the 30th Annual Report together with the Audited Accounts for the year ended on March 31, 2007.

FINANCIAL RESULTS

	Year Ended 31.03.2007 <u>Rs. in'000</u>	Year Ended 31.03.2006 <u>Rs. in'000</u>
Sales & Other Income	-	259
Profit before tax and appropriations	(981)	(956)
Profit after tax	(910)	(848)
Add: Balance brought forward from previous year	(15,888)	(15,040)
Loss carried to Balance Sheet	(16,798)	(15,888)

DIVIDEND

Due to losses, your Directors do not recommend any dividend for the year ended 31st March 2007.

OPERATIONS

As already reported in last years performance, the Company was not able to do business as most of the machinery of the Company had become absolute and overall there was stiff competition from other players in the printing business.

RESEARCH & DEVELOPMENT

The Company has been arduously working to improve the R & D so as to provide quality and value for money to the customers in keeping with market trends.

FIXED DEPOSITS

Your Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 from Public and the rules made there under.

BOARD OF DIRECTORS

Resignation of Mr. Navkesh M Batra on November 14, 2006 and Mr. Devvrat Jathalia as Directors on November 23, 2006 and Appointment of Mr. Hemang Sampat on November 21, 2006 and Mr. Amish Modi on November 24, 2006 as Additional Directors.

Mr. Rajeev Jain and Mr. Rajendra Modi, Directors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

CORPORATE GOVERNANCE

The Company has taken proactive steps to ensure that the conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreement with the Stock Exchange are complied with. A separate report on Corporate Governance together with Auditors' Certificate on its compliance are included in the Annual Report.

ANNUAL REPORT 2006-2007**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors confirm that:

- 1] In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- 2] Appropriate accounting policies have been selected and applied consistently and judgements and estimates wherever made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the March 31, 2007.
- 3] 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.
- 4] The Annual Accounts have been prepared on a going concern basis.

AUDITORS

Messrs. Arvind Darji Associates, Chartered Associates, the retiring Auditors have expressed their willingness to be re-appointed. It has been proposed to reappoint Messrs. Arvind Darji Associates, Chartered Accountants as Auditors of the Company. The Company has received a Certificate from them that they are qualified under Section 224 (1) of the Companies Act, 1956 for appointment as Auditors of the Company. Members are requested to consider their appointment at a remuneration to be decided by the Board of Directors for the Financial year ending March 31, 2007 as set out in the Notice convening the Meeting.

AUDITORS' OBSERVATIONS

The observations of the Auditors contained in their Report have been adequately dealt with in the Notes to the Accounts given in Schedule "17" which are self-explanatory and therefore, do not call for any further comments.

AUDIT COMMITTEE

In accordance with the provisions of the Section 292A of the Companies Act, 1956 and the Corporate Governance requirements as per the Listing Agreement of the Company has reconstituted the Audit Committee comprising of the following Directors viz., Mr. Rajendra Modi, Mr. Rajeev Jain and Mr. Amish Modi as members. The Audit Committee acts in accordance with the terms of reference specified from time to time by the Board.

DEPOSITORY SERVICES

The Company's Equity Shares have been admitted to the depository mechanism of the National Securities Depository Limited [NSDL]. As a result the investors have an option to hold the shares of the Company in a dematerialised form. The Company has been allotted ISIN No.INE416F01019. Shareholders therefore are requested to take full benefit of the same and lodge their holdings with Depository Participants [DPs] with whom they have their Demat Accounts for getting their holdings in electronic form.

SCANA COLOUR (INDIA) LIMITED**PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The Company has taken effective steps to conserve and minimize power and fuel consumption and has also installed capacitor for minimizing the power consumption. No Technology was imported during the year by the Company. Foreign Exchange Earning and Outgoing was NIL.

PARTICULARS OF EMPLOYEES

None of the employees of the Company come within the purview of the information required u/s 217[2A] of the Companies Act, 1956 read with the Companies [particulars of Employees] Rules, 1975 as amended.

LISTING

The Company has listed its shares on The Stock Exchange, Mumbai, the Stock Exchange, Ahmedabad and The Stock Exchange, Hyderabad.

SAFETY, ENVIRONMENTAL CONTROL AND PROTECTION

The Company has taken all the necessary steps for safety and environmental control and protection at the plant.

ACKNOWLEDGMENT

The Directors wish to convey their appreciation to the Company's Shareholders, Customers, Suppliers, Bankers, and Distributors for their support they have given to the Company over the past years and the confidence, which they have reposed in its management and the employees for the commitment and dedication shown by them.

CAUTIONARY STATEMENT

Statement in the Management Discussion and Analysis describing the Company's objectives, expectations, estimates or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in Government regulations, tax laws, economic developments with in the country and other incidental factors. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis, of any subsequent developments, events or information.

Registered Office

SCANA COLOR [INDIA] LTD
125, T.V.Industrial Estate,
Pandurang Budhakar Marg,
Worli, Mumbai-400 025
September 01, 2007

For and behalf of the Board

Nandita Damani
Director

ANNUAL REPORT 2006-2007**MANAGEMENT DISCUSSION AND ANALYSIS****BUSINESS OVERVIEW**

The main business of the Company is Scanning, Processing, Designing, Digital Printing & Offset Printing.

OPPORTUNITIES, THREATS, RISKS, CONCERNS AND OUTLOOK

The Company is largely hit with the obsolescence of its machinery, which has proved very fatal to the Company. The Company is trying various options to revive the operations of the Company.

The general outlook with respect to this Industry in India is of caution under immense competitive pressure.

PERFORMANCE OF THE COMPANY

The challenges described above restricted the sales. During the current financial year the Company is working towards improvement in its profitability.

HUMAN RESOURCES

The Company recognizes the need for continuous growth and development of its employees in order to provide greater job satisfaction and also to equip them to meet growing organizational challenges.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

Internal Control Systems are designed to ensure the reliability of financial and other record and accountability of executive action to the management's authorization. The Statutory Auditors have evaluated the system of internal controls of the Company and have reported that the same are adequate and commensurate with the size of the Company and nature of its business.

The internal control systems are reviewed by the top Management and by the Audit Committee of the Board and proper follow up action ensured wherever required.

REPORT ON CORPORATE GOVERNANCE**1] COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The main object of Corporate Governance is to create transparency and full disclosure regarding the working of the Company. Corporate Governance's aim is to create long-term value for all stakeholders viz. investors, employees, creditors, customers, Government and society at large. It is crucial to the progress of every business enterprise as it builds confidence and trust, which eventually leads to a more stable and sustained resource flow and long-term partnership with its investors and other stakeholders. The Company firmly believes in and continues to practice good corporate Governance. The Company's essential character is shaped by the very values of transparency, professionalism and accountability. The Company continuously endeavors to improve on these aspects on an ongoing basis. The disclosures required by Clause 49 of the Listing Agreement are as under:

2] BOARD OF DIRECTORS

As per the listing Agreement the Board should have an optimum combination of both Executive and Non-Executive Directors, and at least one half of the Board has to comprise of independent Directors where the Chairman is Executive.

The Board of your Company as on March 31, 2007 has 1 Executive Director and 4 Non-Executive Directors. The number of independent Directors are 3.