



BAGADIA

MD	✓		BKC	✓
CS	NA		DPY	✓
TO	✓		DIV	✓
RA	NA		AC	✓
EN	✓	✓	SH	✓
RE	✓	✓		

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Bagadia Colourchem Ltd.

12th Annual Report

1996-97

BOARD OF DIRECTORS :

Mr. Natwarlal R. Bagadia
Chairman & Managing Director

Mr. Sushil N. Bagadia
Joint Managing Director

Mr. Sandeep N. Bagadia
Director

Mr. Pazat Ramakrishnan
Technical Director

Mr. Umesh V. Kudalkar
Nominee Director - SICOM

Prof. Vilas V. Ekbote
Director

Mr. Raghunath R. Gune
Director

Auditors :

Palekar & Shende
Chartered Accountants

Bankers :

Bank of Baroda
Camp Branch
Pune

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Registered Office:

'Bagadia House'
23/B, Kasba Peth,
Pune 411 011

Factory :

Plot No. B-35,
MIDC Industrial Area,
Mahad, Dist. Raigad
Maharashtra

12th Annual General Meeting
on Tuesday, the 16th day of September, 1997
at 11.30 A.M. at the Registered Office

NOTICE

Notice is hereby given that the 12th Annual General Meeting of the Shareholders of Bagadia Colourchem Limited will be held on Tuesday, the 16th day of September, 1997 at 11.30 A.M. at the Registered Office of the Company at 'Bagadia House', 23/B, Kasba Peth, Pune 411 011 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997 and the Profit and Loss Account for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Sushil N. Bagadia, who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Sandeep N. Bagadia, who retires by rotation, and being eligible offers himself for reappointment.
4. To appoint the Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :-

"RESOLVED THAT subject to the approval of the Central Government and such other Authorities, if any required, the consent of the Company be and is hereby accorded to discontinue the official listing of its Equity Shares and to de-list the same from Ahmedabad & Jaipur Stock Exchanges.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to make necessary applications and to do all such acts, deeds and things which are necessary and incidental to give effect to the above resolution."

By Order of the Board of Directors,

N.R. Bagadia
Chairman & Managing Director

Place :- Pune

Date :- 27th June, 1997

NOTES :-

- 1) An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Item No. 5 is annexed hereto.
- 2) A MEMBER ENTITLED TO ATTEND & VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- 3) Notice is also given that the Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 12th September, 1997 to Tuesday, 16th September, 1997. (both days inclusive)
- 4) Members are requested to immediately inform about the change in their addresses, if any, and to address all further correspondence to:

BAGADIA COLOURCHEM LIMITED
'BAGADIA HOUSE', 23B, KASBA PETH,
PUNE 411 011

BAGADIA COLOURCHEM LIMITED**EXPLANATORY STATEMENT**

(Pursuant to Section 173(2) of the Companies Act, 1956)

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out the material facts relating to the special business mentioned in the accompanying notice dated 27th June, 1997.

Item No. 5

Vide the Prospectus dated 31st January, 1995, the Company came out with its maiden Public Issue of Equity Shares and got its shares listed on Mumbai, Pune, Ahmedabad and Jaipur Stock Exchanges w.e.f. May, 1995.

Pune Stock Exchange is the Regional Stock Exchange for the Company and on Mumbai Stock Exchange the shares of the Company are traded regularly.

Since its listing in May, 1995, there is not a single trading effected of the Equity Shares of the Company on Ahmedabad and Jaipur Stock Exchanges and the Shares of the Company are mainly traded only on Mumbai and Pune Stock Exchanges.

In view of this the Board of Directors in its Meeting held on 27th June, 1997 decided to discontinue, availing of the listing facility at Ahmedabad and Jaipur Stock Exchanges, subject to your approval and approval of the Central Government and such other authorities.

Hence the resolution at Item No. 5 of the Notice is recommended for your approval.

None of the Directors of the Company is in any way concerned or interested in passing of the said Resolution.

By Order of the Board of Directors

N.R. Bagadia
Chairman & Managing Director

Place :- Pune

Date :- 27th June, 1997

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DIRECTORS' REPORT

To

The Members,

The Board of Directors have pleasure in presenting before you the 12th Annual Report and Audited Statements of Accounts for the year ended as on 31st March, 1997.

1. FINANCIAL RESULTS

The Financial Results for the year ended on 31st March, 1997 are briefly given below:-

	1996-97 (Rs.)	1995-96 (Rs.)
Sales and Other Income	5,96,36,968	4,97,34,299
Profit before Interest & Depreciation	60,23,718	91,11,641
Less :-		
Interest	20,75,375	15,21,604
Depreciation	22,33,793	12,02,936
Profit before tax	17,14,550	63,87,101
Less:- Provision for taxation	—	—
Profit after taxation	17,14,550	63,87,101
Add :- Balance brought forward from previous year	41,26,529	9,75,228
Add :- Prior period Adjustments	—	1,000
Amount available for appropriation	58,41,079	73,63,329
APPROPRIATION		
Proposed Dividend	—	27,36,800
General Reserve	4,52,322	5,00,000
Balance carried over to Balance Sheet	53,88,757	41,26,529
TOTAL :-	58,41,079	73,63,329

2. PROJECT IMPLEMENTATION

As reported in the Director's Report of the earlier year, while project implementation, the Company had to incur the total unprojected additional Capital Expenditure of Rs. 85/- lacs. However the Company had met these expenses partly by internal accruals and partly by additional borrowings and the project has now been fully set up as planned. The Project implementation is complete in all respects and the production of all the products has been started.

The increased production of CPC Blue, and the production of new products viz. Alpha Blue, Beta Blue & Green 7 have since been streamlined and the

quality of the products are well accepted in the market. The Company at present is on the urge of tying up new customers in local and Export markets to increase its market base.

3. REVIEW OF OPERATIONS

During the year under review the Sales of the Company were Rs. 592.36 lacs as compared to Rs. 474.57 lacs for the previous year which represents an increase of about 25%.

Company earned a Net Profit of Rs. 17.15 lacs as compared to the Net Profit of Rs. 63.87 lacs of the earlier year.

During the first quarter of the year under Report, the Company had fully utilised the Sales Tax Benefits under the Package Scheme of Incentives, 1988 of Government of Maharashtra i.e. full exemption from payment of Sales Tax on sales as well as purchases. This has resulted in high cost of raw material procurement. Secondly the Company has also lost its advantage of competitive pricing due to fresh levy of Sales Tax on sales. The said incremental cost could not be realised by corresponding increase in Sales prices due to overall market depression and stiff competitive market conditions. This has mainly affected the profitability of the Company.

4. DIVIDEND

The Directors deeply regret their inability to recommend any Dividend on the Equity Shares of the Company, due to inadequate profits and the necessity of plough back of earnings of the Company in meeting additional capital expenditure of the Project.

5. PROJECTION V/S PERFORMANCE

As per Clause 43 of the Listing agreement the Performance of the Company as against the Projections for the year 1996-97, made by it in the Prospectus, is as follows :-

PARTICULARS	(Rs. in lacs)	
	PROJECTED (AS PER SICOM APPRAISAL)	ACTUAL PERFORMANCE
Sales	822.60	592.36
Net Profit	154.20	17.15
Dividend	18%	NIL
Book Value Per Share (Rs.)	15.12	12.41
E.P.S.(Rs.)	4.18	0.47

BAGADIA COLOURCHEM LIMITED**6. FUTURE OUTLOOK**

The domestic consumption of dyes and pigments is increasing rapidly. There also exists a large and growing international market for these products.

The quality of the products manufactured by the Company is better and comparable with the products of other existing reputed manufacturers in the field. With the streamlining of all the value-added products, the Company is now well placed as regards the future turnover and profitability.

With the improvement in overall Economy, your Directors are confident about your Company's performance, growth and future prospects, both in domestic and international market.

7. DIRECTORS

During the year under report, Dr. B.K. Barman resigned from the Directorship of the Company. Your Directors do place on record their sincere appreciation and thanks for the support extended by him during his tenure as the Director of the Company.

Mr. Sushil N. Bagadia and Mr. Sandeep N. Bagadia, Directors of the Company retire by rotation and being eligible offer themselves for reappointment.

8. AUDITORS

The present Auditors M/s Palekar & Shende, Chartered Accountants, will retire at the conclusion of the forthcoming Annual General Meeting. They have expressed their willingness to continue for the current year. You are requested to reappoint them and fix their remuneration.

9. AUDITORS QUALIFICATION

In connection with the internal audit system, the Directors are of the opinion that there are internal control procedures commensurate with the size of the Company and the stage of its operations. Most of the operations are being looked after by the Promoter Directors individually. The Company is in the process of setting up adequate internal audit system.

10. ADDITIONAL INFORMATION AS PER SECTION 217 OF THE COMPANIES ACT, 1956**A) Under Section 217 (2A)**

Information as per Section 217 (2A) of the Companies Act, 1956 read with the

Companies (Particulars of Employees) Rules 1975 has not been furnished since no employee received the remuneration beyond the limits specified therein.

B) Under Section 217 (1) (e)

Wherever possible energy conservation measures have been implemented. The efforts to conserve and optimize the use of energy through improved operational methods and other means will continue.

The statement pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure forming part of this Report.

The Company has not imported any technology and there is no technical collaboration, with any party, for the present activities of the Company.

C) Information about Foreign Exchange.

The Company is in the process of entering the Export market and during the year has not earned any direct Export earnings neither has spent in foreign exchange.

11. ACKNOWLEDGMENT

The Directors place on record their appreciation for the cooperation and support extended by Bankers, SICOM, DCKL, and Employees of the Company. The Directors are also thankful to the officials of Government of India, Government of Maharashtra, local authorities, MIDC for their continued help and timely assistance extended to the Company.

By Order of the Board of Directors

N.R. Bagadia

Chairman & Managing Director

Place :- Pune

Date :- 27th June, 1997

ANNEXURE TO DIRECTORS REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Director's Report for the year ended 31st March, 1997.

FORM - A

	Year ended 31st March, 1997	Year ended 31st March, 1996
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
a) Purchased units	5,68,202	3,92,786
Total Amount (Rs.)	20,19,716	11,30,257
Rate/Unit (Rs.)	3.55	2.88
b) Own Generation		
Through Diesel Generators (Rs.)	25,192	—
Units	81,600	—
Units per liter of diesel oil	29	—
Cost/Unit (Rs.)	3.22	—
2. Coal	—	—
3. Furnace Oil		
Quantity (Ltrs.)	3,07,200	1,97,800
Total amount (Rs.)	21,68,971	14,06,892
Average rate (Rs.)	7.06	7.11
4. Other/Internal Generation	—	—
B. CONSUMPTION PER UNIT OF PRODUCTION (KG)		
Electricity (Units)	1.48	1.36
Diesel Oil (Ltrs)	0.80	0.69

By Order of the Board of Directors

N.R. Bagadia
Chairman & Managing Director

Place :- Pune

Date :- 27th June, 1997