



BAGADIA

MD	✓		BKC	✓
CS	NA		DPY	NA
RO	✓		DIV	NA
TRA	NA		AC	✓
AGM	✓	✓	SH	✓
YE	✓	✓		

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Bagadia Colourchem Ltd.

13th Annual Report

1997-98

BOARD OF DIRECTORS :

Mr Natwarlal R. Bagadia
Chairman & Managing Director

Mr Sushil N. Bagadia
Joint Managing Director

Mr Sandeep N. Bagadia
Director

Mr P. 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 411 001

Registered Office :

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

Factory :

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

13th Annual General Meeting
on Saturday, the 5th day of September, 1998
at 11.30 a.m. at the Registered Office

NOTICE

Notice is hereby given that the 13th Annual General Meeting of the Shareholders of Bagadia Colourchem Limited will be held on Saturday, the 5th day of September, 1998 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, 1998 and the Profit and Loss Account for the year ended on that date together with the Director's Report and Auditor's Report thereon.
2. To appoint a Director in place of Mr Vilas V. Ekbote, who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr Raghunath R. Gune, 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 a Special Resolution :-

"RESOLVED THAT pursuant to the guidelines issued by the Securities and Exchange Board of India (SEBI) for the purpose of Voluntary Delisting of Securities, and subject to such approvals & consents of other Authorities, if any, required the consent of the Company be and is hereby accorded to discontinue the official listing of its Equity Shares from Ahmedabad & Jaipur Stock Exchanges.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised 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 :- 26th June, 1998

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 Tuesday, 1st September, 1998 to Saturday, 5th September, 1998 (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 26th June, 1998.

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.

Additionally the 'BOLT' facility is extended by Mumbai Stock Exchange to other Stock Exchanges including Ahmedabad & remaining stock Exchanges are being covered thereunder. The said 'BOLT' facility enables the trading of Securities listed on Mumbai Stock Exchange directly irrespective whether the said Security is listed on the concerned local Stock Exchange or not. This will help the shareholders and investors of other region to freely trade in the Securities of the Company in a more efficient manner. In view of this the Board of Directors is of the opinion that henceforth there is no need to continue the listing on Ahmedabad & Jaipur Stock Exchanges. In view of this the Board of Directors in its meeting held on 27th June, 1997 and 26th June, 1998 decided to discontinue, availing of the listing facility at Ahmedabad and Jaipur Stock Exchanges, subject to your approval and approval of Central Government and such other authorities if required.

Accordingly an Ordinary Resolution was recommended for your approval in the 12th Annual General Meeting held on 16th September, 1997 and the same was passed unanimously.

Thereafter the Company approached the concerned Stock Exchanges, Central Government and Securities and Exchange Board of India (SEBI) for delisting of the Equity Shares from Ahmedabad & Jaipur Stock Exchanges in the month of October, 1997, December, 1997 and February, 1998 respectively.

Thereafter SEBI came out with the Guidelines for Voluntary Delisting of Securities by the Companies from the Stock Exchanges vide its Circular No. SMDRP/CIR-14/98 dated 29th April, 1998 and vide its letter dated 28th May, 1998, informed the Company to approach the concerned Stock Exchanges in accordance with the procedure laid down therein. Under the procedure prescribed therein the Company is required to obtain specific prior approval of the shareholders of the Company by way of special Resolution passed at a General Meeting.

The other formalities prescribed therein shall be observed by the Company. The copy of the said guidelines issued by SEBI and the aforesaid letter alongwith Listing Agreements etc. are open for inspection of the Members on any working day between 4.00 p.m. to 6.00 p.m.

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 :- 26th June, 1998

DIRECTOR'S REPORT

To

The Members,

The Board of Directors have pleasure in presenting before you the 13th Annual Report and Audited Statements of Accounts for the year ended as on 31st March, 1998.

1. FINANCIAL RESULTS

The Financial Results for the year ended on 31st March, 1998 are briefly given below :-

	1997-98 (Rs.)	1996-97 (Rs.)
Sales and Other Income	6,88,99,236	5,96,36,968
Profit before Interest, Depreciation & Taxation	66,22,130	60,23,718
Less :-		
Interest	23,13,558	20,75,375
Depreciation	26,08,626	22,33,793
Profit before tax	16,99,946	17,14,550
Less:- Provision for taxation	2,17,000	NIL
Profit after taxation	14,82,946	17,14,550
Add :- Balance brought forward from previous year	53,88,757	41,26,529
Amount available for appropriation	68,71,703	58,41,079
APPROPRIATION		
General Reserve	5,00,000	4,52,322
Balance carried over to Balance Sheet	63,71,703	53,88,757
TOTAL :-	68,71,703	58,41,079

2. REVIEW OF OPERATIONS

During the year under review the Sales of the Company were Rs. 687.52 lacs as compared to Rs. 592.36 lacs for the previous year. Company earned a Net Profit of Rs. 17.00 lacs as compared to the Net Profit of Rs. 17.15 lacs of the earlier year.

In spite of the recessionary trend prevailing for more than past two years resulting in severe pressures on margins, the Company could maintain the profitability for the year.

The Company could achieve this mainly because of the qualitative products manufactured by the Company, which are better and comparable with the products of other existing reputed manufacturers in

the field, supported by better customer services and relations.

3. 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.

4. PROJECTION V/S PERFORMANCE

As per Clause 43 of the Listing agreement the Performance of the Company as against the Projections for the year 1997-98, made by it in the Prospectus, is as follows :-

PARTICULARS	(Rs. in lacs)	
	PROJECTED (AS PER SICOM APPRAISAL)	ACTUAL PERFORMANCE
Sales	940.10	688.99
Net Profit after Tax	186.30	14.83
Dividend	18%	Nil
Book Value Per Share (Rs.)	18.17	12.81
E.P.S. (Rs.)	5.05	00.40

5. FUTURE OUTLOOK

The domestic market for the dyes and pigments has shown a slowdown due to recession. The overall demand for the products is depressed due to long continued recession, fall in economy of Far East Countries and other adverse economical and political uncertain conditions.

Under the circumstances the Company proposes to give main thrust on the Exports and has started taking efforts to concentrate on International market.

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.

6. DIRECTORS

Mr Vilas V. Ekbote and Mr Raghunath R. Gune, Directors of the Company retire by rotation and being eligible offer themselves for reappointment.

7. 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.

BAGADIA COLOURCHEM LIMITED**8. AUDITORS' QUALIFICATION**

- A) As mentioned in Note No 1(1.6) & (1.7) to Accounts, Gratuity & Bonus are accounted for on cash basis and hence no provision for the same is made, during the year under Report.
- B) 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.

9. ADDITIONAL INFORMATION

- A) Under Section 217 (2A) of the Companies Act, 1956. 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) of the Companies Act, 1956.

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

Foreign Exchange earnings :- Rs. 6,80,025/-

Foreign Exchange outgo :- Rs. NIL

- D) Disclosure under SEBI Circular dated 29th April, 1998

The Equity Shares of the Company are listed on Pune, Mumbai, Ahmedabad & Jaipur Stock Exchanges.

The Company has already paid the necessary Listing Fees for Pune and Mumbai Stock Exchanges for the year 1998-99.

The shareholders in their previous Annual General Meeting held on 16th September, 1997 had already unanimously approved the resolution for delisting of Equity Shares from Ahmedabad and Jaipur Stock Exchanges. Accordingly the Company had applied to these Stock Exchanges as well as Central Government for delisting. Thereafter as advised by Central Government, the Company also applied to SEBI for delisting. However the Company's application for delisting was unattended and pending at SEBI office for a quite a considerable time.

As the shareholders have approved the delisting prior to the financial year 1998-99 and as the same was not considered by Stock Exchanges, Central Government and SEBI for quite a considerable time, and as the same is now pending for further compliances formulated by SEBI very recently, Company has not paid the Listing Fees of Ahmedabad & Jaipur Stock Exchanges.

The fresh resolution as per the recent guidelines issued by SEBI is also recommended for your approval in this Annual General Meeting.

10. ACKNOWLEDGMENT

The Directors place on record their appreciation for the cooperation and support extended by the Bankers of the Company viz. Bank of Baroda, 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 :- 26th June, 1998

Annual Report 1997-98**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, 1998.

FORM - A**A. POWER AND FUEL CONSUMPTION**

	Year ended 31/03/1998	Year ended 31/03/1997
1. Electricity		
a) Purchased units	7,73,420	5,68,202
Total Amount (Rs.)	29,78,872	20,19,716
Rate/Unit (Rs.)	3.85	3.55
b) Own Generation		
Through Diesel Generators	40,125	25,192
Units	1,13,100	81,600
Units per liter of diesel oil	29	29
Cost/Unit	2.82	3.22
2. Coal	—	—
3. Furnace Oil		
Quantity (Ltrs.)	3,98,600	3,07,200
Total amount (Rs.)	25,69,699	21,68,971
Average rate (Rs.)	6.45	7.06
4. Other/Internal Generation	—	—

B. CONSUMPTION PER UNIT OF PRODUCTION (KG)

Electricity (Units)	1.56	1.48
Diesel/Oil (Ltrs)	0.80	0.80

By Order of the Board of Directors,

N.R. Bagadia
Chairman & Managing Director

Place :- Pune
Date :- 26th June, 1998