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**Bagadia Colourchem Ltd.**

*18th Annual Report*

*2002-2003*

**BOARD OF DIRECTORS :**

Mr. Natwarlal R. Bagadia  
*Chairman & Managing Director*

Mr. Sushil N. Bagadia  
*Joint Managing Director*

Mr. Sandeep N. Bagadia  
*Director*

Prof. Vilas Y. Ekote  
*Director*

Mr. Ramkrishna R. Bhat  
*Director*

Mr. Vilas B. Jagtap  
*Director*

**Auditors :**

S.G. Shende & Co.  
*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

**18th Annual General Meeting**  
**on Saturday, 27th September, 2003**  
**at 9.00 a.m. at the Registered Office**

**BAGADIA COLOURCHEM LIMITED**  
Regd. Office : 'Bagadia House' 23/B, Kasaba Peth, Pune 411 011

**FORM OF PROXY**

I/We .....  
of .....  
being a Member(s) of Bagadia Colourchem Limited hereby appoint .....  
..... of .....  
or failing him ..... of .....  
as my/our proxy to attend and vote for me/us on my/our behalf at the **EIGHTEENTH ANNUAL GENERAL MEETING** of the Company to be held on **Saturday, 27th September, 2003, at 9.00 a.m.** at the Registered Office and at any adjournment thereof.

Signed this..... day of .....2003.

Signature

30 Paise  
Revenue  
Stamp

**Note :** The Proxy must be returned so as to reach the Registered Office not less than 48 hours before the time for holding the meeting.  
A Proxy need not be a member of the Company.

**BAGADIA COLOURCHEM LIMITED**  
Regd. Office : 'Bagadia House' 23/B, Kasaba Peth, Pune 411 011

**ATTENDANCE SLIP**  
**18th Annual General Meeting**

Regd.Folio No. ....

I certify that I am a Shareholder/Proxy for the registered Shareholder of the Company.

I hereby record my presence at the **18th ANNUAL GENERAL MEETING** of the Company at the Registered Office.

Member's/Proxy's name in BLOCK Letters

Member's/Proxy's Signature

**Note :** Please fill in this attendance slip and hand it over at the **ENTRANCE OF THE HALL.**

BOOK POST



*If undelivered, please return to:*

**BAGADIA COLOURCHEM LIMITED**

**23/B, Kaaba Peth,**

**PUNE 411 011.**

## NOTICE

Notice is hereby given that the 18th Annual General Meeting of the Shareholders of Bagadia Colourchem Limited will be held on Saturday, 27th September, 2003 at 9.00 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, 2003 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. Sushil Bagadia who retires by rotation, and being eligible offers himself for reappointment.
- 3) To appoint the Auditors to hold the office from the conclusion of this meeting until the conclusion of next Annual General meeting and to fix their remuneration.

**SPECIAL BUSINESS**

- 4) To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution :-

"Resolved that Mr. Vilas Bajirao Jagtap, who was appointed as an Additional Director by the Board of Directors pursuant to the provisions of Section 260 of the Companies Act, 1956, and Articles of Association of the Company, and who holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of the Director of the Company be and is hereby appointed as the Director of the Company liable to retire by rotation."

- 5) To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution :-

"Resolved that pursuant to the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, the provisions of the Listing Agreement, the provisions of the Companies Act, 1956, Securities Contract (Regulations) Act, and the SEBI Act, 1982, the Company do seek delisting of its Equity Shares from Pune Stock Exchange Limited with immediate effect.

Resolved further that the Board of Directors of the Company be and is hereby authorised to initiate the necessary steps/actions for delisting of its securities from the Pune Stock Exchange and to do necessary acts, deeds and things to comply with the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003."

By Order of the Board of Directors

Place :- Pune

N.R. Bagadia

Date :- 28th July, 2003 Chairman & Managing Director

**NOTES :-**

- 1) 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.
- 2) An Explanatory Statement pursuant to the provisions of Section 173 of the Companies Act, 1956 in respect of Item Nos. 4 & 5 of the Notice is annexed hereto.
- 3) Notice is also given that the Register of Members and the Share Transfer Books of the Company will remain close from Wednesday, 24th September, 2003 to Saturday, 27th September, 2003 (both days inclusive).

**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 28th July, 2003.

**Item No. 4**

Mr. Vilas B. Jagtap was appointed as an Additional Director of the Company by the Board of Directors in its meeting held on 28th July, 2003.

The Company has received notice in writing from a member of the Company under Section 257 of the Companies Act, 1956 signifying his intention to propose him as the Director of the Company.

Hence the resolution as set out at Item No. 4 of the Notice is recommended for your approval.

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

**Item No. 5**

In the year 1995, 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.

Thereafter, pursuant to the Guidelines for Voluntary Delisting of Securities issued by SEBI vide its Circular dated 29th April, 1998, Company got its shares delisted from Ahmedabad and Jaipur Stock Exchanges.

Accordingly, the Equity Shares of the Company are presently listed on Pune and Mumbai, and the Pune Stock Exchange is the Regional Stock

Exchange for the Company. The Company has already paid the Annual Listing fee of all these Exchanges for the year 2003-2004.

Since its listing on Pune Stock Exchange, the Trading of the shares of the Company was very thin and the shares of the Company are traded only on the Stock Exchange, Mumbai.

As per the new SEBI (Delisting of Securities) Guidelines, 2003, which have been notified recently, the Company can delist its securities from any of the Stock Exchanges voluntarily, including the Regional Stock Exchange i.e. Pune Stock Exchange, without providing an Exit opportunity to the Shareholders of the Company residing in that area, provided that the securities will continue to be listed on a Stock Exchange having nation wide trading terminals i.e. the Stock Exchange Mumbai (BSE), or National Stock Exchange (NSE).

The Company's Equity shares are listed on The Stock Exchange, Mumbai (BSE) which has the nation-wide trading terminals and it will continue to be listed on BSE.

Hence your Directors recommend the Special Resolution as set out at Item No. 5 of the Notice, for delisting of its securities from Pune Stock Exchange.

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

By Order of the Board of Directors

Place :- Pune

N.R. Bagadia

Date :- 28th July, 2003

Chairman & Managing Director

**DIRECTORS' REPORT**

To

The Members,

The Board of Directors have pleasure in presenting before you the 18th Annual Report and Audited Statements of Accounts for the year ended as on 31st March, 2003.

**1. FINANCIAL RESULTS**

The Financial Results for the year ended on 31st March, 2003 are briefly given below :-

	<u>2002-2003</u>	<u>2001-2002</u>
	(Rs.)	(Rs.)
Sales and Other Income	18,18,78,258	8,78,00,988
Profit before Interest, Depreciation & Taxation	37,16,329	34,80,788
Less :-		
Finance Cost	1,55,905	1,42,486
Depreciation	27,88,245	26,86,352
Profit before tax	7,82,221	6,39,950
Less :- Provision For Tax		
Current	83,889	40,800
Deferred	41,448	—
Earlier Year	11,889	7,805
Profit after taxation	6,82,713	5,92,345
Add :- Balance brought forward from previous year	Nil	76,61,101
Balance Transferred to Balance Sheet	<u>6,82,713</u>	<u>82,53,446</u>

**2. MANAGEMENT DISCUSSION & ANALYSIS REPORT**

During the year under review the Sales of the Company have increased to Rs. 980.88 Lacs as against Rs. 853.87 Lacs of the previous year resulting in an increase of about 12.83%. However at the same time, the overall expenditure of the Company has also increased and as such, Company earned the Profit before Tax of Rs. 7.90 Lacs.

The export turnover of the Company during the year under report has increased substantially at

Rs. 437.93 lacs as against Rs. 269.79 lacs of the previous year; resulting in an increase of about 62.93%.

**3. DIVIDEND**

The Directors 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. FIXED DEPOSITS**

The Company has not accepted any Fixed deposits.

**5. DIRECTORS**

Mr. Vilas B. Jagtap was appointed as an Additional Director of the Company by the Board of Directors in its meeting held on 28th July, 2002, who holds the office as such till the conclusion of the Annual General Meeting. Necessary resolution for his appointment as the Director of the Company has been recommended for your approval.

Mr. Sushil Bagadia, Director of the Company retires by rotation and being eligible offers himself for reappointment.

**6. AUDITORS**

The present Auditors M/s S.G. Shende & Co., Chartered Accountants, will retire at the conclusion of the forthcoming Annual General Meeting. They have informed their willingness to continue for the Current Year.

As required per proviso to Section 224(1) of the Companies Act, 1956, a written Certificate has been obtained by the Company from the Auditors certifying that if they are appointed as the Auditors of your Company, such appointment would be within the limits specified in Section 224 (1)(B) of the Companies Act, 1956.

**7. SECURED LOANS**

During the year under Report, Company has repaid in full the entire Loans availed by it from Bank of Baroda and as such the balance of Secured Loans as of 31st March, 2003 was Nil.

**BAGADIA COLOURCHEM LIMITED****8. 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. 4,37,92,720/-

Foreign Exchange Outgo :- Rs. 2,69,905/-

**D) Disclosure under Stock Exchange Requirements****(i) Disclosure under SEBI Circular dated 29th April, 1998**

The Equity Shares of the Company are listed on Pune and Mumbai Stock Exchanges.

The Company has already paid the necessary Listing Fees for Pune and Mumbai Stock Exchanges till the financial year 2003-2004.

**9. DELISTING OF SHARES FROM PUNE STOCK EXCHANGE LIMITED**

Pursuant to the Securities & Exchange Board of India (Delisting of Securities) Guidelines, 2003 the Company proposes to delist its Equity Shares from Pune Stock Exchange Limited. Necessary Special

Resolution for the same is recommended for your approval. Thereafter the Equity Shares of the Company will continue to list on The Stock Exchange, Mumbai.

**10. DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 217 (2AA) as amended by the Companies (Amendment) Act, 2000 the Directors hereby state :

- a) that while preparing the annual accounts for the period ended 31st March, 2003, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that period.
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) that the Directors had prepared the annual accounts on a going concern basis.

**11. ACKNOWLEDGMENT**

The Directors place on record their appreciation for the cooperation and support extended by the Bankers of the Company viz. Bank of Baroda and Employees of the Company all the times. 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

Place :- Pune

Date :- 28th July, 2003

**N.R. Bagadia**

Chairman & Managing Director