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# **Bagadia Colourchem Ltd.**

*19th Annual Report  
2003-2004*

**BOARD OF DIRECTORS :**

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

Mr. Sushil N. Bagadia  
*Joint Managing Director*

Mr. Sandeep N. Bagadia  
*Director (upto 25.6.2004)*

Prof. Vilas V. Ekbote  
*Director*

Mr. Raghunath R. Gune  
*Director*

Mr. Vilas B. Jagtap  
*Director (w.e.f.28.7.2003)*

**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

**19th Annual General Meeting**

on Monday, 27th September, 2004  
at 9.00 a.m. at the Registered Office

## BAGADIA COLOURCHEM LIMITED

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### NOTICE

Notice is hereby given that the 19th Annual General Meeting of the Shareholders of Bagadia Colourchem Limited will be held on Monday, 27th September, 2004 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, 2004 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 Prof. Vilas Ekbote 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.

By Order of the Board of Directors

Place :- Pune

Date :- 29th July, 2004

**N.R. Bagadia**

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) Notice is also given that the Register of Members and the Share Transfer Books of the Company will remain close from Friday, 24th September, 2004 to Monday, 27th September, 2004 (both days inclusive).

## DIRECTORS' REPORT

To

The Members,

The Board of Directors have pleasure in presenting before you the 19th Annual Report and Audited Statements of Accounts for the year ended as on 31st March, 2004.

### 1. FINANCIAL RESULTS

The Financial Results for the year ended on 31st March, 2004 are briefly given below :-

	2003-2004 (Rs.)	2002-2003 (Rs.)
Sales and Other Income	9,84,54,799	10,16,76,588
Profit before Interest, Depreciation & Taxation	42,32,672	37,16,329
Less :-		
Finance Cost	1,42,250	1,53,905
Depreciation	28,00,332	27,63,343
Profit before tax	12,90,090	7,99,081
Add :- Prior Period Adjournment	2,620	-
Less :- Provision For Tax		
Current	83,000	63,000
Deferred	(5,18,336)	41,448
Earlier Year	(3,259)	11,920
Profit after taxation	17,31,305	6,82,713
Add :- Balance brought forward from previous year	6,82,713	Nil
Balance Transferred to Balance Sheet	<u>24,14,018</u>	<u>6,82,713</u>

### 2. MANAGEMENT DISCUSSION & ANALYSIS REPORT

During the year under review the Sales of the Company were marginally lower at Rs. 947.42 Lacs as against Rs. 960.80 Lacs of the previous year. However the Company could achieve better profitability of Rs. 12.90 Lacs as against Rs. 7.99 lacs of the previous year.

The export turnover of the Company during the year under report stood at Rs. 466.86 lacs as against Rs. 437.93 lacs of the previous year.

### 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

In the Extra-ordinary General meeting held on 24th December, 2003 Mr. N. R. Bagadia and Mr. Sushil Bagadia were reappointed as Chairman & Managing Director respectively, for a period of five years w.e.f. 1st October, 2003 on the revised terms & conditions.

Prof. Vilas Ekbote Director of the Company retires by rotation and being eligible offers himself for reappointment.

Mr. Sandeep Bagadia resigned as the Director of the Company w.e.f. 25th June, 2004.

### 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. 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.

**BAGADIA COLOURCHEM LIMITED****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. 4,66,85,813/-

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 Mumbai Stock Exchange.

The Company has already paid the necessary Listing Fees for Mumbai Stock Exchange till the financial year 2004-2005.

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

Pursuant to the Securities & Exchange Board of India (Delisting of Securities) Guidelines, 2003 the Company has voluntarily delisted its Equity Shares from Pune Stock Exchange Ltd. The delisting is approved by Pune Stock Exchange Ltd. w.e.f. 10th May, 2004. Accordingly the Equity Shares of the Company will continue to list on The Stock Exchange, Mumbai only.

**9. 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, 2004, 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.

**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 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

**N.R. Bagadia**

Date :- 29th July, 2004

Chairman & Managing Director

**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, 2004.

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

	Year ended 31/03/2004	Year ended 31/03/2003
1. Electricity		
a) Purchased units	11,05,208	11,12,778
Total Amount (Rs.)	41,71,690	42,39,190
Rate/Unit (Rs.)	3.77	3.81
b) Own Generation		
Through Diesel Generators	2,72,190	1,40,600
Units	1,79,200	1,36,000
Units per liter of diesel oil	16	20
Cost/Unit (Rs.)	1.52	1.03
2. Coal	—	—
3. Oil		
Quantity (Ltrs.)	5,35,100	5,20,000
Total amount (Rs.)	64,16,067	60,94,041
Average rate (Rs.)	11.99	11.72
4. Other/Internal Generation	—	—

**B. CONSUMPTION PER UNIT OF PRODUCTION (KG)**

Electricity (Units)	1.86	1.83
Diesel/Oil (Ltrs)	1.82	1.72

By Order of the Board of Directors,

Place :- Pune

Date :- 29th July, 2004

**N.R. Bagadia**

Chairman & Managing Director

**BAGADIA COLOURCHEM LIMITED****ANNEXURE TO THE DIRECTOR'S REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2004  
REPORT ON CORPORATE GOVERNANCE**

(As required under Clause 49 of the Listing Agreement entered into with the Stock Exchange)

**1. The Company's philosophy on code of Corporate Governance**

The Company strongly believes that the system of Corporate Governance protects the interest of all the shareholders by inculcating transparent business operations and accountability from management and monitor and ensure compliance with Laws and Regulations.

**2. Board of Directors**

The present strength of the Board as of date is five Directors, which was six during the Financial Year 2003-2004. The Board comprises of Two Executive Directors and Three Non Executive Directors, one of whom is appointed on 28<sup>th</sup> July, 2003. During the Financial Year under review i.e. 2003-2004 Seven Board Meetings were held on 24<sup>th</sup> June, 2003, 28<sup>th</sup> July 2003, 27<sup>th</sup> September, 2003, 30<sup>th</sup> October, 2003, 22<sup>nd</sup> November 2003, 29<sup>th</sup> January, 2004 and 18<sup>th</sup> March, 2004.

Details of Attendance of each Director at the Board Meetings, the Last AGM and other Indian Companies Directorships and Committee Memberships held by them are as follows :

Name of the Director	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM	No. of other Directorships held	No. of Committees of which Member
Mr. Natwarlal R. Bagadia	Chairman & Managing Director (Executive Director)	7	Yes	1	Nil
Mr. Sushil N. Bagadia	Joint Managing Director (Executive Director)	7	Yes	1	Nil
Mr. Sandeep N. Bagadia	Director (Non Executive)	7	Yes	Nil	Nil
Prof. Vilas V. Ekbote	Director (Non Executive)	5	Yes	1	1
Mr. Raghunath R. Gune	Director (Non Executive)	6	Yes	Nil	Nil
Mr. Vilas Bajirao Jagtap	Director (Non Executive)	5(*)	Yes	Nil	Nil

(\*) Appointed on 28<sup>th</sup> July, 2003.

**3. Audit Committee**

The Audit Committee was constituted in June 2002. At present it comprises Three Directors viz. Prof. V.V.Ekbote and Mr. R.R. Gune. and Mr. Vikas Jagtap. Prof. Vilas Ekbote is the Chairman of the Audit Committee. Audit Committee held total Four Meetings during the Financial Year under review on 24<sup>th</sup> June, 2003, 28<sup>th</sup> July, 2003, 30<sup>th</sup> October, 2003 and 29<sup>th</sup> January, 2004 and all the Members were U-resent to all the Meetings. The terms of reference of the Audit Committee include the matters specified in Clause 49. (II) of the Listing Agreement with Stock Exchanges.

**4. Remuneration Committee**

The Remuneration Committee was constituted in June 2002. At present it comprises Three Directors viz. Prof. V.V.Ekbote, Mr. R.R. Gune, and Mr. Vilas Jagtap. Prof. Vilas Ekbote is the Chairman of the Remuneration Committee. Only one meeting was held on 22<sup>nd</sup> November, 2003 for considering the revision of remuneration payable to working Directors.