



BAGADIA

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Bagadia Colourchem Ltd.

24th Annual Report
2008-2009

BOARD OF DIRECTORS :

Mr. Natwarlal R. Bagadia
Chairman & Managing Director

Mr. Sushil N. Bagadia
Joint Managing Director

Prof. Vilas V. Ekbote
Director (upto 30th June, 2008)

Mr. Raghunath R. Gune
Director

Mr. Vilas B. Jagtap
Director

Mr. Dattatraya M. Mehta
Director

Mr. Prakash Bidkar
Director (w.e.f. 30th September, 2008)

Mrs. Sangeeta Bagadia
Director-Marketing (w.e.f. 1st January, 2009)

Auditors :

S.G. Shende & Co.
Chartered Accountants

Bankers :

Bank of Baroda
Camp Branch
Pune 411 001

Registered Office :

317 Mantri Kishor Arcade,
257 Budhwar Peth,
Pune 411 002.

Factory :

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

24th Annual General Meeting
on Thursday, 24th September, 2009
at 9.30 a.m. at the Registered Office

NOTICE

Notice is hereby given that the 24th Annual General Meeting of the Shareholders of Bagadia Colourschem Limited will be held on Thursday, 24th September, 2009 at 9.30 A.M. at the Registered Office of the Company at 317 Mantri Kishor Arcade, 257 Budhwar Peth, Pune 411 002 to transact the following business:-

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit and Loss Account for the year ended on that date together with the Director's Report and the Compliance Certificate attached thereto and the Auditor's Report thereon.
- 2) To appoint a Director in place of Mr. Raghunath R. Gune, 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 Mrs. Sangeeta Sushil Bagadia, 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 her 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 an Ordinary Resolution:-

"RESOLVED THAT Mr. Shashikant B. Kakade, 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."

By Order of the Board of Directors

Place : Pune

N.R. Bagadia

Date : 21st August, 2009 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 and 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 Tuesday 22nd September, 2009 to Thursday, 24th September, 2009 (both days inclusive).
- 4) Additional Information on Directors seeking re-appointment at the Annual General Meeting, pursuant to Clause No. 49 IV (G) of the Listing Agreement with the Stock Exchange is furnished below:-

Sr. No.	Name of the Director / Qualification (Age)	Shareholding in the Company (No. of Equity Shares held)	Committee Positions in the Company	Relationship with other Directors if any	Directorships held in other companies/ Committee positions held in other companies
1	Mr. Raghunath R. Gune M.Sc., DBM (Chemistry) Age: 79 Years	Nil	i) Audit Committee ii) Remuneration Committee iii) Share Transfer and Investor Grievances Committee	No	Nil

BAGADIA COLOURCHEM LIMITED

Sr. No.	Name of the Director / Qualification (Age)	Shareholding in the Company (No. of equity Shares held)	Committee Positions in the Company	Relationship with other Directors if any	Directorships held in other companies/ Committee positions held in other companies
2	Mrs. Sangeeta Sushil Bagadia B. Sc Age: 43 Years	7,34,600 (19.91%)	Nil	Wife of Mr. Sushil Bagadia Joint MD and Daughter in Law of Mr. N. R. Bagadia Managing Director	Nil
3	Mr. Shashikant B. Kakade M.Com Age: 49 Years	Nil	i) Audit Committee ii) Remuner-ation Committee iii) Share Transfer and Investor Grievances Committee	No	Nil

- Note:- 1) Re-appointment of Mr. R. R. Gune is on retirement by rotation.
2) Mrs. Sangeeta Bagadia and Mr. Shashikant Kakade were appointed as an Additional Directors by the Board of Directors and the Resolutions in respect of their appointments are to appoint them in the Annual General Meeting.

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 the accompanying Notice dated 21st August, 2009.

Item No. 4 and 5

Mrs. Sangeeta Bagadia and Mr. Shashikant Kakade were appointed as an Additional Directors of the Company by the Board of Directors in its meetings held on 1st January, 2009 and 21st August, 2009 respectively, pursuant to the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company. They hold the office as such until the date of ensuing Annual General Meeting.

The Company has received notices in writing from a member of the Company under Section 257 of the Companies Act, 1956 signifying his intention to propose Mrs. Sangeeta Bagadia and Mr. Shashikant Kakade as the Directors of the Company, and requisite deposit of money has also been made with the Company.

Mrs. Sangeeta Sushil Bagadia is a Science Graduate having business and marketing experience since long.

Mr. Shashikant Kakade is a Post Graduate in Commerce and is in the field of Education, Commerce and business,

and is having vast and varied experience

The Board of Directors is of the opinion that the induction of these Directors on the Board of the Company will bring benefit to the Company, and that the Board will get an advice of the Independent Director.

Hence the resolution at Item No. 4 and 5 of the Notice are recommended for your approval.

Mrs. Sangeeta Sushil Bagadia, Mr. N. R. Bagadia and Mr. Sushil Bagadia are interested in Resolution at Item No. 4 of the Notice in respect of appointment of Mrs. Sangeeta Bagadia.

Mr. Shashikant Kakade is interested in Resolution at Item No. 5 of the Notice in respect of his appointment. None of the Directors are interested in these resolutions.

None of the other Directors are interested in the said resolutions.

By Order of the Board of Directors

Place: Pune

N.R. Bagadia

Date : 21st August, 2009 Chairman & Managing Director

DIRECTORS' REPORT

To

The Members,

The Board of Directors have pleasure in presenting before you the 24th Annual Report and Audited Statements of Accounts for the year ended as on 31st March, 2009.

1. FINANCIAL RESULTS

The Financial Results for the year ended on 31st March, 2009 are briefly given below:-

	2008-2009 (Rs.)	2007-2008 (Rs.)
Sales and Other Income	88,903,578	81,480,853
Profit before Interest,		
Depreciation & Taxation	5,451,016	4,468,907
Less :-		
Finance Cost	306,172	466,013
Depreciation	3,312,631	3,239,013
Profit before tax	1,832,213	763,881
Less :- Provision For Tax	1,018,000	318,986
Deferred Tax	(407,526)	(386,068)
Earlier Year	266,736	376,323
Fringe Benefit Tax	57,719	56,016
Profit after Taxation	897,284	398,624
Add :- Balance brought forward from previous year	928,044	529,420
Balance transferred to		
Balance Sheet	<u>1,825,328</u>	<u>928,044</u>

2. MANAGEMENT DISCUSSION & ANALYSIS REPORT

During the year under review the Sales of the Company were Rs. 892.31 Lacs as against Rs. 825.85 Lacs of the previous year resulting in the increase of about 8.05%.

The export turnover of the Company during the year under report was Rs. 529.02 Lacs as against Rs. 436.89 Lacs of the previous year. The Company has earned the Profit before Tax of Rs. 18.32 Lacs as against the Profit of Rs. 7.64 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 the marginal Profit earned by the Company.

4. FIXED DEPOSITS

The Company has not accepted any fixed deposits.

5. DIRECTORS

Mr. R. R. Gune Director of the Company retires by rotation and being eligible offers himself for reappointment.

Mr. Prakash Bidkar was appointed as Additional Director of the Company by the Board of Directors in its meetings held on 30th September, 2008. However it has been decided mutually by the Board of Directors and Mr. Prakash Bidkar himself that the Company will not re-appoint him as the Director and that he will not seek to be re-appointed in the ensuing Annual General Meeting. Mrs. Sangeeta Bagadia and Mr. Shashikant Kakade were appointed as Additional Directors of the Company by the Board of Directors in its meetings held on, 1st January, 2009 and 21st August, 2009 respectively who hold the office as such till the conclusion of this Annual General Meeting. Necessary resolution for their appointment as the Directors of the Company have been recommended for your approval.

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.

BAGADIA COLOURCHEM LIMITED**7. AUDITORS' QUALIFICATIONS**

As regards Auditors' Qualifications in respect of non compliance of AS-28 'Impairment of Assets', the Directors are of the opinion that considering the overall size of the business and Assets, observation of AS-28 is not feasible.

8. COMPLIANCE CERTIFICATE

Pursuant to the provisions of Section 383A of the Companies Act, 1956 as amended, the Compliance Certificate issued by a Company Secretary in Whole time Practice viz. Shekhar Ghatpande & Co., Company Secretaries is attached herewith.

9. AWARDS / ACHIEVEMENTS :

Recently the Company has been awarded 'CHEMEXCIL Export Award' for the year 2006-2007 by Basic Chemicals, Pharmaceuticals & Cosmetics Export Promotion Council, Mumbai set up by Ministry of Commerce & Industry, Government of India. The said Award was received by Mr. N.R. Bagadia Chairman & Managing Director of the Company at the hands of Hon'ble Mr. Jyotiraditya Scindia Minister of States for Commerce & Industry Government of India, during the ceremony held on 23rd July, 2009.

10. 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. 5,29,02,657/-

Foreign Exchange Outgo :- Rs. 5,17,148/-

D) Disclosure under Stock Exchange Requirements

(i) Disclosure under SEBI Circular dated 29th April, 1998.

The Equity Shares of the Company are listed on Bombay Stock Exchange Ltd.

The Company has already paid the necessary Listing Fees of the Exchange till the financial year 2009-2010.

11. 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, 2009, 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 judgments 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.

12. 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 : 21st August, 2009 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, 2009.

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

	Year ended 31/03/2009	Year ended 31/03/2008
1. Electricity		
a) Purchased units	9,11,375	1,046,540
Total Amount (Rs.)	39,52,850	5,025,800
Rate/Unit (Rs.)	4.34	4.80
b) Own Generation		
Through Diesel Generators (Rs.)		
Units	76,653	—
Units per liter of diesel oil	12,000	—
Cost/Unit (Rs.)	6.39	—
2. Coal		
Quantity (kg)	8,71,990	1,094,695
Total Amount (Rs.)	45,84,653	4,184,668
Average Rate (Rs.)	5.26	3.82
3. Furnace Oil		
Quantity (Ltrs.)	—	82,300
Total amount (Rs.)	—	1,616,699
Average rate (Rs.)	—	19.64
4. Other/Internal Generation	—	—

B. CONSUMPTION PER UNIT OF PRODUCTION (KG)

Electricity (Units)	1.64	1.87
Diesel/Oil (Ltrs)	1.94	—

By Order of the Board of Directors,

Place :- Pune

Date :- 21st August, 2009

N.R. Bagadia

Chairman & Managing Director

BAGADIA COLOURCHEM LIMITED**Compliance Certificate**

To

The Members,

Bagadia Colourchem Limited,

317 Mantri Kishor Arcade,

257 Budhwar Peth, Pune 411002.

COMPANY REG. NO: - U24221PN1985PLC036054

I have examined the registers, records, books and papers of Bagadia Colourchem Limited, having its Registered office at the address mentioned above, (herein after referred to as the Company) as required to be maintained under the Companies Act, 1956, (herein after referred to as the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company, for the financial year ended on 31st March, 2009. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:-

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in 'Annexure B' to this Certificate, with the Registrar of Companies/ Regional Director/ Central Government/ Company Law Board or other Authorities within the time prescribed under the Act and in case of delay, with the payment of additional filing fees thereon as prescribed under the Act and the rules made there under.
3. The Company is a Public Limited Company within the meaning of the provisions of the Act and as such the comments on prohibition of invitation to public and acceptance of Deposit other than its members, Directors and their relatives are not required. The Company has not accepted any deposits from General Public.
4. The Board of Directors duly met Seven times on :

SR.NO.	DATE OF BOARD MEETING
1	9 th April, 2008
2	30 th June, 2008
3	31 st July, 2008
4	30 th September, 2008
5	27 th October, 2008
6	1 st January, 2009
7	30 th January, 2009

- in respect of which meetings, proper Notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.

5. The Company closed its Register of Members from Friday, 26th September, 2008 to Tuesday, 30th September, 2008 (Both days inclusive) and the Advertisement as required under Section 154 of the Act was published.
6. The Annual General Meeting for the financial year ended on 31st March, 2008 was held on Tuesday, 30th September, 2008 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in the Minute Book maintained for the purpose.
7. That during the financial year under Report, one Extra Ordinary General Meeting of the Shareholders of the Company was held on 28th February 2009, seeking the approval of the Shareholders for the appointment of and remuneration payable to Mrs. Sangeeta Sushil Bagadia as the 'Director - Marketing' of the Company.
8. The Company has not advanced any loans to its Directors and/or persons or firms or companies referred in Section 295 of the Act. However the Company has placed security Deposit with Mr. N. R. Bagadia for the Premises obtained from him on rental basis.
9. There are no transactions with the Directors/Director's Relatives/ Firms in which Director or Relative is a Partner or a Private Company of which the Director is a Member or a Director, and as such the provisions of Section 297 of the Act in respect of contracts specified in that Section did not apply, except for the Contracts for taking the Premises and Car on rental basis from the Directors. As the said contract of taking the premises is for immovable property the provisions of Section 297 of the Act, are not applicable.
10. The Company has duly maintained the Register required to be maintained u/s 301 of the Act.
11. The Company has not employed any person falling within the purview of Section 314 of the Act and as such the question of obtaining any approvals from the Board of Directors, members or Central Government did not arise.
12. The Board of Directors or duly constituted Committee of Directors has issued duplicate Share Certificates during the financial year under Report, after the necessary compliances were obtained from the Shareholders by the Registrar & Share Transfer Agents M/s Satellite Corporate Services Pvt Ltd. the SEBI approved R & T Agents.
13. (i) The Company during the year under Report has not issued and allotted any shares. The Equity Shares of the Company are listed on The Bombay Stock Exchange Ltd. Mumbai and the Company has appointed M/s Satellite Corporate Services Pvt Ltd. the SEBI approved R & T Agents to look after the Share Transfer work. The Equity Shares of the Company are also allowed for Dematerialisation and Transfers are also effected in Demat Form. All the Share Transfer Work during the Year under Report was looked after by M/s Satellite Corporate Services Pvt Ltd. the SEBI approved R & T Agents.
- 13 (ii) During the Financial Year under Report, the Company had not declared any Dividend on its Equity Shares.
- 13 (iii) That there was no unclaimed or unpaid dividend which was required to be transferred to Unpaid Dividend Account of the Company.
- 13 (iv) That the Company is not having any Unpaid Dividend Account, application money due for refund, matured Deposits, matured Debentures and the Interest accrued thereon which have remained unclaimed or unpaid for a period of Seven Years and which are required to be transferred to Investor Education and Protection Fund.

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13. (v) That the Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. During the year under Report there was change in the constitution of the Board of Directors of the Company. During the Year under Report, the Company had appointed Mr. Prakash Bidkar, and Mrs. Sangeeta Bagadia as an Additional Directors and Prof. Vilas Ekbote has resigned as the Director of the Company. All the necessary compliances in this connection have been complied with.
15. The Company has appointed Mr. N. R. Bagadia and Mr. Sushil Bagadia as the Chairman & Managing Director and Joint Managing Director respectively. The Shareholders of the Company in their Annual General Meeting held on 30th September, 2008 have approved the re-appointment and remuneration payable to these Two Directors w.e.f. 1st October, 2008 for a period of Three Years. The Company has also appointed Mrs. Sangeeta Bagadia as the 'Director - Marketing' w.e.f. 1st January, 2009, and the Shareholders of the Company have approved the said appointment and remuneration payable to her in their Extra Ordinary General meeting held on 28th February, 2009.
16. The Company has not appointed any Sole Selling Agents during the financial year under Report.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such other Authorities prescribed under the various provisions of the Act during the financial year under Report.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. During the year under report the Company has not issued and allotted any shares.
20. During the year under report the Company has not bought back any shares.
21. The Company has not issued and allotted any Preference Shares and hence the question of redemption of Preference Shares during the financial year under report does not arise.
22. There were no transactions necessitating the Company to keep in abeyance the rights of dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act, however, the Directors of the Company have contributed certain non interest bearing advances/loans to meet the Working Capital Requirements of the Company, out of their own funds.
24. The Company has not availed any additional borrowings from Bank during the Year under Report.
25. During the Financial Year under Report, Company has not made any loans and investments, or given guarantees or provided securities to other bodies corporate.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under report.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under report.