



Bagadia Colourchem Ltd.

29th Annual Report
2013-2014

BOARD OF DIRECTORS :

Mr. Natwarlal R. Bagadia
Chairman & Managing Director

Mr. Sushil N Bagadia
Joint Managing Director [Upto 12th August, 2013]

Mr. Vilas B Jagtap
Director

Mr. Dattatraya M Mehta
Director

Mrs. Sangeeta Bagadia
Director- Marketing

Mr. Sashikant Kakade
Director

Ms. Sneha S. Bagadia [From 12th August, 2013]
Director

Chief Executive Officer :

Mr. Sushil N Bagadia [From 12th August, 2013]

Auditors :

S.G. Shende & Co.
Chartered Accountants

Bankers :

Bank of Baroda
Camp Branch
Pune 411 001

Registered Office :

Shaniya Enclave, 5th Floor,
V. P. Road, Vileparle (West)
Mumbai - 400 056.
Tel. : 022-26111982, Fax : 022-26111932
E-mail : bagadiacolourchem@rediffmail.com

Factory :

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

Company CIN :

L24221MH1985PLC205386

29th Annual General Meeting

on Thursday, 14th August, 2014
at 2.00 p.m. at Hotel Sagar,
Kharodi Marve Road, Malad (West)
Mumbai 400 095

NOTICE

Notice is hereby given that the 29th Annual General Meeting of the Shareholders of Bagadia Colourchem Limited will be held on Thursday, 14th August, 2014 at 2.00 P.M. at the Meeting Hall Hotel Sagar, Kharodi Marve Road, Malad (West) Mumbai 400095 to transact the following business:-

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2014 together with the Report of the Board of Directors and the Compliance Certificate attached thereto and the Auditor's Report thereon.
- 2) To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Ms. Sangeeta Sushil Bagadia [DIN: 02487334], Director, who retires by rotation and being eligible offers herself for reappointment, be and is hereby reappointed as the Director of the Company, liable to retire by rotation."
- 3) To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Ms. Sneha Sushil Bagadia [DIN: 06657740], Director, who retires by rotation and being eligible offers herself for reappointment, be and is hereby reappointed as the Director of the Company, liable to retire by rotation."
- 4) To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:
"RESOLVED THAT M/s S. G. Shende & Co., Chartered Accountants, having Firm Registration No. FRN 120915W be and are hereby appointed as the Auditor of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company, at such remuneration as shall be determined and fixed by the Board of Directors of the Company."

SPECIAL BUSINESS

- 5) To Consider and if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Mr. Dattatraya Mahadev Mehta [DIN:01691582], Independent Director of the Company who retires by the rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 14th August, 2014."
- 6) To Consider and if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Mr. Vilas Bajirav Jagtap [DIN:03217289], Independent Director of the Company who retires by the rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 14th August, 2014."
- 7) To Consider and if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Mr. Shashikant Bhikoba Kakade [DIN:02727180], Independent Director of the Company who retires by the rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 14th August, 2014."
- 8) To Consider and if thought fit, to pass with or without modification the following Resolution as the Special Resolution:
"RESOLVED THAT in partial modification of the earlier resolution passed by the Shareholders of the Company in their 26th Annual General Meeting held on 15th September, 2011 and in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) thereto or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to stop the payment of Remuneration payable to Mr. Natwarlal R. Bagadia [DIN:000899960], as a Chairman and Managing Director w.e.f 1st April, 2014 till the expiry of his present term of Appointment i.e upto 30th September, 2014 and that during this period he be reimbursed only the legitimate expenses incurred by him for the purpose of attending the business of the Company.
RESOLVED FURTHER THAT in accordance with the aforesaid provisions of the Act, Schedule and Rules (including any statutory modification(s) thereto or re-enactment thereof, for the time being in force) Mr. Natwarlal R. Bagadia [DIN:000899960], be and is hereby appointed / designated as a Chairman and Managing Director, not liable to retire by rotation, for a further period of 5 (five) years with effect from 1st October, 2014 i.e on the expiry of the current term of his appointment, and that he shall not be paid any remuneration till the Board of Directors and Shareholders decide otherwise.
RESOLVED FURTHER THAT Mr. Natwarlal R. Bagadia, Chairman and Managing Director of the Company shall be provided with Car with Driver for Company's business and shall also be provided with all communication facilities like Telephone, Fax, Internet at his residence and Mobile exclusively for the business purpose.
RESOLVED FURTHER THAT the Board of Directors of the Company 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."

- 9) To Consider and if thought fit, to pass with or without modification the following Resolution as the Special Resolution:
- "RESOLVED THAT in accordance with the provisions of Sections 196,197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) thereto or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Ms. Sangeeta S. Bagadia [DIN:02487334], as a Director- Marketing of the Company, for a further period of 5 (Five) years with effect from 1st January 2015 on the following existing terms and conditions, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Ms. Sangeeta S. Bagadia, subject to such remuneration not exceeding the limits specified under the Act read with Part II of Schedule V to the Act or any statutory modification(s) thereto or re-enactment thereof.
- A) Salary & Allowances: Salary and Allowances shall not exceed Rs. 50,000/- (Rs. Fifty Thousand) per month.
- B) The Company shall also provide car with driver to the Director-Marketing for Company's business and shall also provide all communication facilities like Telephone, Fax, Internet at her residence and Mobile exclusively for the business purpose.
- C) The remuneration comprising Salary, perquisites and other benefits and allowances of Ms. Sangeeta S. Bagadia, Director- Marketing shall be as specified by the Board of Directors from time to time and further subject to overall ceiling laid down in Sections 197 of the Companies Act, 2013 or any modification thereto or re-enactment thereof.
- D) In the event of absence or inadequacy of profits, Ms. Sangeeta S. Bagadia, Director- Marketing would be paid the then existing remuneration subject to a ceiling as laid down in Section II, Part II of Schedule V of the Companies Act, 2013 as amended from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company 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

Place : Pune
Date : 1st July, 2014

N. R. Bagadia
Chairman & Managing Director

NOTES:-

1. A MEMBER ENTITLED TO ATTEND & VOTE AT THIS MEETING MAY APPOINT A PROXY TO ATTEND AND ON A POLL VOTE INSTEAD OF HIMSELF/ HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective must be received by the Company at its registered office, not later than 48 Hours before the commencement of the Meeting. A Person shall not act as Proxy for more than 50 Members and holding in the aggregate not more than 10% of the total voting share capital of the Company. However a single person may act as the Proxy, for a Member holding more than 10% of the total voting share capital of the Company, provided that such Person shall not act as a Proxy for any other Person.
3. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Special Businesses to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
4. Notice is also given that the Register of Members and Share Transfer Books in Respect of Equity Shares of the Company will remain closed from Saturday 9th August, 2014 to Thursday 14th August, 2014 (Both Days Inclusive).
5. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail addresses with Company or Depository.
6. The Notice of AGM, Annual Report and attendance slip are being sent in electronic mode to Members whose e-mail ID's are registered with the Company or Depositories, unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance slip are being sent to those Members who have not registered their e-mail ID's with the Company or Depositories. Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at registration counter to attend the AGM.
7. Pursuant to Securities and Exchange Board of India (SEBI) Circular No. - CIR/CFD/POLICYCELL/2/2014 dated 17th April 2014; SEBI has amended Clause No. 35B and Clause No. 49 of the Listing Agreement. Clause No. 35B deals with the provisions of E-voting facility to the Shareholders in the respect of all resolutions to be passed at the General Meeting. As per the said circular the revised Clause - 35B would be applicable to all Listed Companies and modalities would be governed by the provisions of Companies (Management and Administration) Rules, 2014.

As per the Companies (Management and Administration) Amendment Rules, 2014 notified by The Ministry of Corporate Affairs on 23rd June 2014, the relaxation has been granted to the Companies to provide this facility upto 1st January, 2015. Hence, the Company will provide the E-voting facility for General Meetings held on or after 1st January, 2015.

EXPLANATORY STATEMENT
(Pursuant to Section 102(1) of the Companies Act, 2013)

Item No. 5, 6 and 7:

Mr. Dattatraya Mehta, Mr. Vilas Jagtap and Mr. Shashikant Kakade are the Independent Directors of the Company appointed/ reappointed by the Shareholders of the Company in the earlier Annual General Meetings.

Pursuant to the newly introduced Companies Act, 2013, the provisions with respect to appointment and tenure of the Independent Directors have come into effect w.e.f. 1st April, 2014. As per the said provisions, the Independent Directors shall be appointed for a terms of five years and shall not be liable to retire by rotation at every Annual General Meeting.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Dattatraya Mehta, Mr. Shashikant Kakade and Mr. Vilas Jagtap being eligible, offer themselves for appointment as Independent Directors on the Board of the Company. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint them as Independent Directors on the Board of the Company for a term upto five consecutive years, commencing from 14th August, 2014.

In the opinion of the Board, these Directors fulfill the conditions specified in the Companies Act, 2013 and the Rules made thereunder for appointment as Independent Directors of the Company. A Copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day.

Accordingly the Ordinary Resolutions as set out at Item No 5, 6 & 7 of the Notice are recommended for your approval.

None of the other Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in passing the said Resolutions, except the individual Directors themselves, who are interested in the Resolution proposing their respective appointment.

Item No. 8 and 9:

The term of office of Mr. Natwarlal R. Bagadia as Chairman and Managing Director would expire on 30th September, 2014 and the term of office of Ms. Sangeeta S. Bagadia, as Director- Marketing would expire on 31st December, 2014.

Mr. Natwarlal R. Bagadia and Ms. Sangeeta S. Bagadia were re-appointed as Chairman and Managing Director and Director- Marketing respectively of the Company in the 26th Annual General Meeting held on 15th September, 2011, on a remuneration of Rs.1,00,000/- per month and Rs.50,000/- per month respectively. The said appointments are due to expire shortly.

However, due to the sharp decline in the business and losses incurred by the Company, the Board of Directors have reconsidered the remuneration payable to Mr. Natwarlal R. Bagadia, Chairman and Managing Director and with his consent has decided to stop the payment of remuneration to him w.e.f 1st April, 2014.

The Board has also reduced the payment of remuneration payable to Mr. Sushil Bagadia as Chief Executive Officer (CEO) to Rs.20,000/- per month from Rs.1,00,000/- per month which was approved by the Shareholders in their 28th Annual General Meeting held on 12th August, 2013.

However, the Board has decided to continue with the present remuneration payable to Ms. Sangeeta S. Bagadia, Director- Marketing of Rs.50,000/- per month.

All these Directors of the Company have successfully shouldered their responsibilities as Working Directors of the Company and keeping in view the need for leveraging experience and expertise during these difficult days, Company proposed to re-appoint Mr. N. R. Bagadia and Ms. Sangeeta S. Bagadia as the Working Directors of the Company.

Mr. N.R.Bagadia, Ms. Sangeeta S. Bagadia satisfies all the eligibility conditions set out in Section 196(3) and in Section II, Part II of Schedule V to the Act for being eligible for re-appointment and has offered themselves for re-appointment. Mr. N. R. Bagadia is above the age of 70 years and hence as per the first proviso to Section 196(3)(a) his appointment is recommended as the Chairman & Managing Director as he has been associated with the Company since its incorporation and that he is having in-depth knowledge and experience of the business of the Company.

The above said Resolutions read with this Explanatory Statement, may be treated as a written Memorandum setting out the terms of re-appointment of Mr. N. R. Bagadia and Ms. Sangeeta S. Bagadia under Section 190 of the Act.

Accordingly the Special Resolutions as set out in Item Nos. 8 and 9 of the notice are recommended for your approval.

Mr. N.R.Bagadia, Ms. Sangeeta S. Bagadia Directors of the Company and Mr. Sushil Bagadia CEO of the Company are interested and concerned in passing the Resolution at Item No 8 of the Notice.

Ms. Sangeeta S. Bagadia and Ms. Sneha S. Bagadia Directors of the Company and Mr. Sushil Bagadia CEO of the Company are interested and concerned in passing the Resolution at Item No 9 of the Notice.

None of the other Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in passing the said Resolutions

By Order of the Board of Directors

Place : Pune
Date : 1st July, 2014

N. R. Bagadia
Chairman & Managing Director

DIRECTORS' REPORT

To
The Members,
Bagadia Colourchem Limited

The Board of Directors have pleasure in presenting before you the 29th Annual Report and Audited Statements of Accounts for the year ended as on 31st March, 2014.

1. FINANCIAL RESULTS

The Financial Results for the year ended on 31st March, 2014 are briefly given below:-

	2013-2014	2012-2013
	(Rs.)	(Rs.)
Sales (Net of Tax) & Other Income	3,37,50,490	10,84,11,881
Profit before Interest,		
Depreciation & Income Tax	(44,34,116)	70,96,063
Less : Interest	1,87,165	5,57,263
Depreciation	29,86,762	32,09,904
Profit / (Loss) for the		
Year before tax	(76,08,043)	33,28,896
Less : Provision for Tax	-	11,12,745
Deferred Tax	(3,87,961)	(6,01,500)
Earlier Year	31,938	(2,58,516)
Profit/(Loss) after Tax	(72,52,020)	30,76,167

2. MANAGEMENT DISCUSSION & ANALYSIS REPORT

During the year under review the Revenue from Operations of the Company was Rs. 320.68 Lacs as against Rs. 1039.36 Lacs of the previous year. The export turnover of the Company during the year under report was Rs. 143.24 Lacs as against Rs. 768.33 Lacs of the previous year. The Company has incurred the Loss before Tax of Rs. 76.08 Lacs as against the Profit of Rs. 33.28 Lacs of the previous year.

However due to continued recession globally, the flow of Export Orders is affected and the Current Financial Year i.e. 2014-2015 would also be one of the difficult Years for the Company. Indian Local Market is also not encouraging, and there are almost no orders in hand, which would improve the performance and profitability of the Company.

3. DIVIDEND

The Directors regret their inability to recommend any Dividend on the Equity Shares of the Company, due to the Losses incurred by the Company.

4. FIXED DEPOSITS

The Company has not accepted any fixed deposits.

5. DIRECTORS / KEY MANAGERIAL PERSONNEL

As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of five consecutive years and shall not be liable to retire by rotation, during that period.

The term of appointment of Mr. N. R. Bagadia as Chairman & Managing Director and that of Ms. Sangeeta Bagadia as the Director - Marketing are due to expire on 30th September, 2014 and 31st December, 2014 respectively.

However, due to the sharp decline in the business and losses incurred by the Company, the Board of Directors have reconsidered the remuneration payable to Mr. Natwarlal R. Bagadia, Chairman and Managing Director and with his consent has decided to stop the payment of remuneration to him w.e.f 1st April, 2014.

However, the Board has decided to continue with the present remuneration payable to Ms. Sangeeta S. Bagadia, Director- Marketing of Rs.50,000/- per month.

Accordingly, necessary Resolutions for their reappointment have been recommended for your approval and the Board of Directors recommends the same for your approval.

The Board has also reduced the payment of remuneration payable to Mr. Sushil Bagadia as Chief Executive Officer (CEO) to Rs.20,000/- per month from Rs.1,00,000/- per month which was approved by the Shareholders in their 28th Annual General Meeting held on 12th August, 2013.

6. AUDITORS

The present Auditors M/s S. G. Shende & Co., Chartered Accountants, having Firm Registration No. FRN 120915W 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 139 of the Companies Act, 2013, 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 139 of the Companies Act, 2013.

7. AUDITORS' QUALIFICATIONS

As regards Auditors' Qualifications in respect of non compliance of AS-28 'Impairment of Assets', and non maintenance of Cost Records, 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, the Compliance Certificate issued by a Company Secretary in Whole time Practice viz. Shekhar Ghatpande & Co., Company Secretaries is attached herewith.

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. 1,43,23,774/-

Foreign Exchange Outgo : Rs. 1,61,000/-

d) Disclosure under Stock Exchange Requirements

Disclosure under SEBI Circular dated 29th April, 1998

The Equity Shares of the Company are listed on BSE Ltd. [Formerly known as Bombay Stock Exchange Ltd.]

The Company has already paid the necessary Listing Fees of the Exchange till the financial year 2014-2015.

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, 2014, the applicable accounting standards, except AS 28 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 Loss 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 : 1st July, 2014

N. R. Bagadia

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, 2014.

FORM - A

	Year ended 31/03/2014	Year ended 31/03/2013
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
a) Purchased units	4,51,470	8,42,790
Total Amount (Rs.)	23,89,180	61,44,940
Rate/Unit (Rs.)	5.29	7.29
b) Own Generation		
Through Diesel Generators (Rs.)	—	—
Units	—	—
Units per liter of diesel oil	—	—
Cost/Unit (Rs.)	—	—
2. Coal		
Quantity (kg)	1,96,260	4,56,900
Total Amount (Rs.)	11,04,486	27,28,702
Average Rate (Rs.)	5.63	5.97
3. Industrial Diesel Oil		
Quantity (Ltrs.)	—	—
Total amount (Rs.)	—	—
Average rate (Rs.)	—	—
4. Other/Internal Generation	—	—
B. CONSUMPTION PER UNIT OF PRODUCTION (KG)		
Electricity (Units)	3.46	2.10
Diesel/Oil (Ltrs)	—	—

By Order of the Board of Directors,

Place :- Pune

Date :- 1st July, 2014

N. R. Bagadia

Chairman & Managing Director