



**BHAGERIA DYE-CHEM LTD.**

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**Expanding Wings**

**16th Annual Report 2004-05**

# Bhageria Dye-Chem Ltd.

## Mission Statement

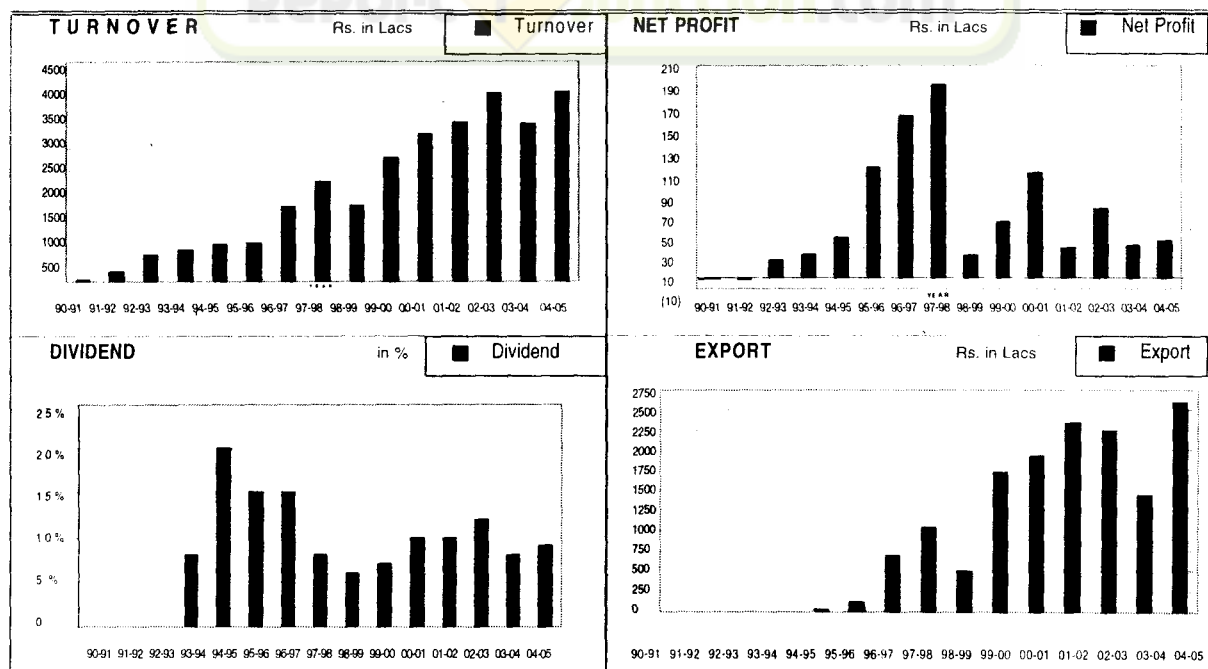
Bhageria, **A CUSTOMER DRIVEN COMPANY**, will continuously improve upon the services rendered to customers, meet customers needs in the shortest lead time, develop new Dyes & Intermediate for newer application areas. And will continue to enjoy privileged status as a **PREFERRED SUPPLIER**.

Bhageria, **A SHAREHOLDER DRIVEN COMPANY**, will remain focused only in the areas of its Core Competency, Emphasis on the Quality of Business rather than the size of the business, Maintain Profit Related Growth Policy, Implement Corporate Governance, Regard Shareholder wealth Creation to be the key driver of all actions and policies of the Company and its people.

Bhageria, **A BRAND DRIVEN COMPANY**, will maintain and improve upon BHAGERIA Brandname, and will Create BHAGERIA Brand awareness in international Markets through export of Quality Products.

Bhageria, **A PEOPLE DRIVEN COMPANY**, will Train, Empower and create a superior pool of intellect, capable of leading its Innovation Drive.

Bhageria, **AN ENVIRONMENT FRIENDLY COMPANY**, will continue to adhere to environment friendly manufacturing process and set new standards in fighting pollution.



## 16th Annual Report 2004-05

### BOARD OF DIRECTORS

Mr. Suresh Bhageria	-	Chairman
Mr. Shashikant Tulsian	-	Director
Dr. Shyam Agarwal	-	Director
Mr. O. P. Bubna	-	Director
Mr. P. S. Dalvi	-	Director
Mr. Vinod Bhageria	-	Managing Director

### AUDITORS

**M/s. SARDA & PAREEK**

Chartered Accountants  
Mahavir Apartment,  
3rd Floor, 598 M. G. Road,  
Near Suncity Cinema,  
Vile Parle (East),  
MUMBAI- 400 057.

### SHARE TRANSFER AGENT

( PHYSICAL & DEMAT )

**SHAREX (INDIA) PVT. LTD.**  
17/B, Dena Bank Building,  
2nd Floor, Hornimal Circle,  
Fort, MUMBAI - 400 001.

### REGISTERED OFFICE

A-101, Virwani Ind. Estate.  
Western Express Highway,  
Goregaon ( East )  
MUMBAI- 400 063.

### WORKS

Plot No.6310, IV Phase,  
G.I.D.C Vapi - 396 195.  
GUJARAT

### BANKERS

**ORIENTAL BANK OF COMMERCE**

Overseas Branch,  
Nariman Point,  
MUMBAI - 400 021.

### ANNUAL GENERAL MEETING

Date : 17th September, 2005  
Time : 11.00 A.M.  
Venue : Lalit Restaurant Hall, Near Rly. Station,  
Goregaon(W), Mumbai - 400 062.

### BOOK CLOSURE :

13th September, 2005  
to  
17th September, 2005  
( BOTH DAYS INCLUSIVE )

# Bhageria Dye-Chem Ltd.

## NOTICE TO THE MEMBERS

NOTICE is hereby given that the 16th Annual General Meeting of the members of BHAGERIA DYE-CHEM LIMITED will be held on Saturday, 17th September, 2005 at 11 A.M. at Lalit Restaurant Hall, Near Rly. Station, Goregaon(W), Mumbai - 400 062. to transact, with or without modification(s) the following businesses :

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended March 31, 2005 and the Balance Sheet as on that date together with the Reports of the Directors and Auditors thereon.
2. To sanction the declaration and payment of Dividend on Equity Shares for the year ended March 31, 2005.
3. To appoint a Director in place of Mr. S. P. Tulsian, who retires from office by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. O. P. Bubna, who retires from office by rotation, and being eligible offers himself for re-appointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

Registered Office :  
A/101, Virwani Industrial Estate,  
W. E. Highway,  
Goregaon ( East ),  
Mumbai - 400 063.

For and on behalf of the Board  
For **BHAGERIA DYE-CHEM LIMITED**

**SURESH BHAGERIA**  
*Chairman*

29th June, 2005.

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### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.  
THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 13/9/2005 to 17/9/2005 (both days inclusive).
3. The Dividend on Equity Shares as recommended by the Board of Directors of the Company, when sanctioned at the Annual General Meeting of the Company will be paid on or after September 17, 2005 to:
  - i) to those members of the Company whose names stand registered on the Company's Register of Members as on September 13, 2005. OR
  - ii) in respect of shares held in electronic form, to those "deemed members" whose names appear on the statements of beneficial ownership furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), at the end of business hours on September 13, 2005.
4. Pursuant to the provision of Section 205(A) of the Companies Act, 1956, unclaimed Dividend upto the year ended March 31, 1997 has been transferred to the credit of the General Revenue Account of the Central Government. The Members who have not received the dividend for the said year may claim the amount from the Registrar of Companies, Maharashtra, CGO Complex, 2nd Floor, "A" Wing, CBD-Belapur, Navi Mumbai - 400 614, telephone No. 2757 6802.

Members are hereby informed that Dividends which remain unclaimed/unencashed over a period of 7 years have to be transferred by the Company to The Investors Education & Protection Fund, constituted by the Central Government under Sections 205(A) & 205(C) of the Companies Act, 1956.

Members should note that no claim can be made by the shareholders for the unclaimed Dividends which have been

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transferred to the credit of The Investors Education & Protection Fund of the Central Government under the amended provisions of section 205(B) of the Companies Act, 1956.

Members who have not yet encashed their dividend warrant(s) for the financial year ended March 31, 1998 and onwards are requested to claim the amount forthwith from the Company.

5. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.
6. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting since copies of the Annual Report will not be distributed at the meeting.
7. The Company has listed its shares on The Stock Exchange, Mumbai.
8. a. The Company has appointed M/s. SHAREX (INDIA) PRIVATE LIMITED as Common Registrar & Transfer Agent of the Company for physical as well as demat mode of transfers. Members are therefore requested to send their grievances to them for early disposal at the address given below.
- b. Members holding Shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given below AND in case their shares are held in demat, this information should be passed on directly to their respective Depository Participants and not to the Company.

**M/s. SHAREX (INDIA) PRIVATE LIMITED**

(Unit: BHAGERIA DYE-CHEM LIMITED)

17/B, Dena Bank Building, 2nd Floor,

Horniman Circle, Fort, Mumbai - 400 023.

Tel: 022 2270 2483/2270 2485

9. a. Members are informed that in order to avoid fraudulent encashment of dividend warrants they should send to the Registrar and Transfer Agent of the Company at the address given above under the signature of the Sole/First Joint holder the information relating to Name and Address of the Banker along with the Pin Code Number and Bank Account Number to print on the Dividend Warrants.
- b. Members desirous of availing the facility of Electronic Credit of Dividend are requested to send ECS Form to the Registrar and Transfer Agent of the Company at the address given above.
- c. Members holding shares in dematerialized form and desirous to change or correct the bank account details should send the same immediately to the concerned Depository Participant. Members are also requested to give MICR Code to the Depository Participant.
10. All documents referred to in the Notice are open for inspection at the registered office of the Company during office hours on all working days except public holidays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
11. Members/Proxies holding their Shares in Physical mode are requested to fill the enclosed attendance slip and handover the same at the entrance with signature. In the absence thereof, they may not be admitted to the meeting venue.
12. Members who are holding shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.
13. In all correspondence with the Company, members are requested to quote their Folio No. and in case their shares are held in demat form, they must quote their DP ID and Client ID Number.

**LISTING REQUIREMENTS:**

As required under Clause 49 [vi] of the Listing Agreement, given below are the details of the Director(s) who retire by rotation and are eligible for re-appointment (Resolution at Item Nos. 3&4):

A. Name	:	MR. S. P. Tulsian
Age	:	47 (30/5/1958)
Qualifications	:	FCA & FCS

Mr. S. P. Tulsian is associated with the Company since October 21, 1994 and look after day to day operations of the Company. He has an experience of over 25 years in the field of drugs and pharmaceuticals.

## Bhageria Dye-Chem Ltd.

### Other Directorships:

- Narmada Prakashan P. Ltd.
- Narmada Appliances P. Ltd.
- Narmada Publishing House (India) P. Ltd.
- Upternnd Securities P. Ltd.
- Saptarung Securities P. Ltd.
- Keyscript Investment & Trading P. Ltd.
- Premium Narmada Securities & Broking P. Ltd.

Committee Memberships : NIL

B. Name : MR. O. P. BUBNA  
 Age : 55 [11/05/1950].  
 Qualifications : B. Com

Mr. O. P. BUBNA is associated with the Company since July 12, 1989 and has experience of over 25 years in the various fields.

Other Directorships : NIL

Committee Memberships : NIL

Registered Office :  
 A/101, Virwani Industrial Estate,  
 W. E. Highway,  
 Goregaon ( East),  
 Mumbai - 400 063.

For and on behalf of the Board  
 For **BHAGERIA DYE-CHEM LIMITED**

**SURESH BHAGERIA**  
*Chairman*

29th June, 2005.

**16th Annual Report 2004-05****DIRECTORS' REPORT TO THE SHAREHOLDERS**

Your Directors have great pleasure in presenting 16th Annual Report together with the Audited accounts for the year ended March 31, 2005.

**FINANCIAL RESULTS:**

	Year ended 31.03.2005 Rs. In Lacs	Year ended 31.03.2004 Rs. In Lacs
Sales & Other Income .....	4295.70	3578.68
Profit before tax and appropriations .....	56.32	44.68
Profit after tax .....	37.33	32.06
Add : Balance brought forward from previous year .....	260.46	269.65
Profit available for disposal .....	297.79	301.71
Proposed Dividend .....	35.45	31.25
Transfer to General Reserve .....	35.00	10.00
Profit carried forward .....	227.34	260.46

**DIVIDEND :**

Your Directors recommend payment of dividend for the year ended March 31, 2005 of Rs. 0.90 per share on each Equity share of Rs.10/- each which after approval shall be paid in accordance with the applicable Law.

This will be the 12th consecutive year of payment of Dividend by your company.

**OPERATIONS:**

During the year under review, your company has achieved total income of Rs. 4295.70 lacs against Rs.3578.68 lacs in previous year and a net profit of Rs.37.33 lacs as against Rs.32.06 in previous year.

**RESEARCH & DEVELOPMENT:**

The R&D department of the company has been arduously working to provide quality and value for money to the customers in keeping with market trends.

**FIXED DEPOSITS:**

Your Company has not accepted any deposit during the year within the meaning of section 58A of the Companies Act, 1956 from Public and the rules made there under.

**BOARD OF DIRECTORS:**

As per the Provisions of the Companies Act, 1956 and in terms of the Articles of Association of the Company, Mr. S. P. Tulsian and Mr. O. P. Bubna, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

**CORPORATE GOVERNANCE:**

The Company has taken proactive steps to ensure that the conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreement with the Stock Exchange are complied with. A separate report on Corporate Governance together with Auditors' Certificate on its compliance are included in this Annual Report.

**DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed.
2. Appropriate policies have been selected and applied consistently and judgments and estimates wherever made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2005.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The annual accounts have been prepared on a going concern basis.

# Bhageria Dye-Chem Ltd.

## AUDITORS:

M/s. Sarda & Pareek, Chartered Accountants, Auditors of the Company are retiring at the ensuing Annual General Meeting. They are eligible for re-appointment and have expressed their willingness to act as auditors, if re-appointed. The Company has received a certificate from them that they are qualified under section 224 (1) of the Companies Act, 1956, for appointment as Auditors of the Company. Members are requested to consider their appointment at a remuneration to be decided by the Board of Directors for the financial year ending March 31, 2006 as set out in the Notice convening the Meeting.

## AUDITORS' OBSERVATIONS:

The observations of the auditors contained in their Report have been adequately dealt with in the Notes to the Accounts given in Schedule "R" which are self explanatory and, therefore, do not call for any further comments.

## AUDIT COMMITTEE:

In accordance with the provisions of the Listing Agreement and Corporate Governance the Company has constituted an Audit Committee comprising of the following Directors viz., Mr. S. P. Tulsian, Dr. Shyam Agarwal and Mr. O. P. Bubna as members. The Audit Committee acts in accordance with the terms of reference specified from time to time by the Board.

## DEPOSITORY SERVICES:

The Company's Equity Shares have been admitted to the depository mechanism of the National Securities Depository Limited (NSDL) and also the Central Depository Services Limited (CDSL). As a result the investors have an option to hold the shares of the Company in a dematerialised form in either of the two Depositories. The Company has been allotted ISIN No. INE354C01019.

Shareholder's therefore are requested to take full benefit of the same and lodge their holdings with Depository Participants [ DPs ] with whom they have their Demat Accounts for getting their holdings in electronic form.

## PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

The information pursuant to section 217 (l) (e) of the Companies Act, 1956 read with the Companies ( Disclosure of particulars in the Report of Board of Directors ) Rules, 1988 are given in Annexure "A" to this report.

## PARTICULARS OF EMPLOYEES:

None of the employees of the Company came within the purview of the information required u/s 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975 as amended.

## LISTING:

The Company has listed its shares on The Stock Exchange, Mumbai.

During the year your Company got delisted its Equity Shares from the Stock Exchange at Jaipur and Ahmedabad.

The listing of the shares will however continue with The Stock Exchange, Mumbai which is regional Stock Exchange and with its expansion of BOLT terminals it provide nationwide trading terminals and thereby considerable liquidity to the members and investors for sale and purchase of the Equity Shares of the Company.

## SAFETY, ENVIRONMENTAL CONTROL AND PROTECTION:

The Company has taken all the necessary steps for safety and environmental control and protection at the plant.

## ACKNOWLEDGMENT:

The Directors wish to convey their appreciation to the Company's shareholders, customers, suppliers, bankers and distributors for the support they have given to the Company and the confidence, which they have reposed in its management and the employees for the commitment and dedication shown by them.

Registered Office :  
A/101, Virwani Industrial Estate,  
W. E. Highway,  
Goregaon (East),  
Mumbai - 400 063.

For and on behalf of the Board  
For **BHAGERIA DYE-CHEM LIMITED**

**SURESH BHAGERIA**  
Chairman

29th June, 2005.



**16th Annual Report 2004-05****ANNEXURE 'A' TO DIRECTORS' REPORT 2004-2005**

Information as per section 217(1)(e) read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year 2004-2005.

**I. CONSERVATION OF ENERGY:****a) Energy Conservation Measures taken:**

The company has made concrete efforts for enhancement in the capacity utilisation, cost competitiveness and quality through systematic process monitoring and adherence to technological norms. Sophisticated instruments were used for regulation and adjustment of parameters. Efforts were also made for upgradation of the quality of Plant Operation. Utilities are being combined besides waste recovery and for effective energy conservation.

**b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:**

Studies to reduce energy consumption of existing unit is on and suitable investments will continue to be made in these areas.

**c) Impact of the measures (a) & (b) above for reduction of Energy Consumption and consequential Impact on the cost of Production of goods:**

The company has saved considerably in the cost of power. The company is constantly exploring avenues for cost saving as an on-going process.

**II. TECHNOLOGY ABSORPTION :**

EFFORTS MADE IN TECHNOLOGY ABSORPTION AS PER FORM-B OF THE ANNEXURE TO THE RULES.

**1. Research & Development (R&D)****a) Specified areas in which R & D carried out by the Company.**

NONE

**b) Benefits derived as result of the above**

NOT APPLICABLE

**c) Future plan of action**

Efforts are aimed at cost reduction, improvement in quality of existing products and development of new process. The benefits of these, will of course, acquire in the years to come.

**d) Expenditure on R&D****1. Capital**

NIL

**2. Recurring**

NIL

**3. Total**

NIL

**4. Total R&D expenditure as percentage of total turnover.**

NIL

**2. Technology Absorption, Adaptation and Innovation**

NOT APPLICABLE

**III. FOREIGN EXCHANGE EARNING AND OUTGO:****a) Activities relating to exports initiative taken to increase export markets for products and services and export plan.**

The company has conducted market survey to boost export during the year. In this context the chairman of the Company has visited several countries.

**b) Foreign Exchange Outgo:**

Rs. 329.38 Lacs

**c) Foreign Exchange Earned:**

Rs. 2589.96 Lacs

For and on behalf of the Board  
For **Bhageria Dye-Chem Limited**

**Suresh Bhageria**  
Chairman

Place : Mumbai

Date : 29th June, 2005

# Bhageria Dye-Chem Ltd.

## ANNEXURE - 'B' TO DIRECTORS' REPORT

### REPORT ON CORPORATE GOVERNANCE

#### INTRODUCTION:

BHAGERIA Group is committed to the adoption of best Governance practices and its adherence in the true spirit, at all times. Our governance practices are a product of self desire and reflected in our strategic thought process.

A detailed report on implementation by the Company of the Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchange, is set out below:

#### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company is fully compliant with the recommendations of the prevailing and applicable Corporate Governance Code and is committed to ensuring full compliance with any proposals for modifications, well ahead of their implementation timeliness.

Our Company's compliance with requirements are presented in the subsequent sections of the report.

The disclosures required by Clause 49 of the Listing Agreement are as under:

#### 2. BOARD OF DIRECTORS:

As per the listing Agreement the Board should have an optimum combination of both Executive and Non-Executive Directors. At least one half of the Board should comprise independent Directors where Chairman is Executive.

The Board of your company has 2 ( Two) Executive Directors and 4 (Four) Non-Executive Directors. The number of independent Directors are 4(Four).

The details of composition of the Board, category, attendance of Directors at Board Meetings and last Annual General Meeting, number of other Directorships and other Committee Memberships are given below:

Name of Director	Category	No. Of Board Meeting attended	Attendance at last AGM	No. Of Other Directorships Held As on 31/3/05		Outside Committee Position Held As on 31/3/05	
				Public	Private	Mem.	Chmn.
Mr. Suresh Bhageria	Chairman	7	YES	—	1	—	—
Mr. Vinod Bhageria	MD	7	YES	—	1	—	—
Mr. S. P. Tulsian	NED	4	YES	—	7	—	—
Mr. O. P. Bubna	NED	4	YES	—	—	—	—
Dr. Shyam Agarwal	NED	—	YES	—	—	—	—
Mr. P. S. Dalvi	NED	3	NO	—	—	—	—

M D stands for Managing Director.

N E D stands for Non Executive Director

During the financial year ended March 31, 2005, 7(Seven) Board meetings were held on 17/04/2004, 29/06/2004, 30/07/2004, 23/10/2004, 01/12/2004, 29/01/2005 and 29/03/2005.

#### 3. COMMITTEES OF DIRECTORS :

For better Corporate Governance, promoting transparency and for enhancing the credibility of the financial disclosures of the Company, the Board has constituted Committees which conform to the requirements of clause 49 of the Listing Agreement with the Stock Exchange and Companies Act, 1956.

#### 3.1 AUDIT COMMITTEE:

The Company has an Audit Committee at the board level with the powers and the role that are in accordance with Clause 49 II [C] and [D] of the Listing Agreement. The Committee acts as a link between the Management, the Statutory Auditors and the Board of Directors and oversees the financial reporting process of the Company.