



**BHAGERIA
DYE-CHEM
LIMITED**



Report Junction.com

EXPANDING WINGS

17th Annual Report 2005-06

For BHAGERIA DYE CHEM LTD.

Authorised Sign. / Director

Bhageria Dye-Chem Ltd.

Mission Statement

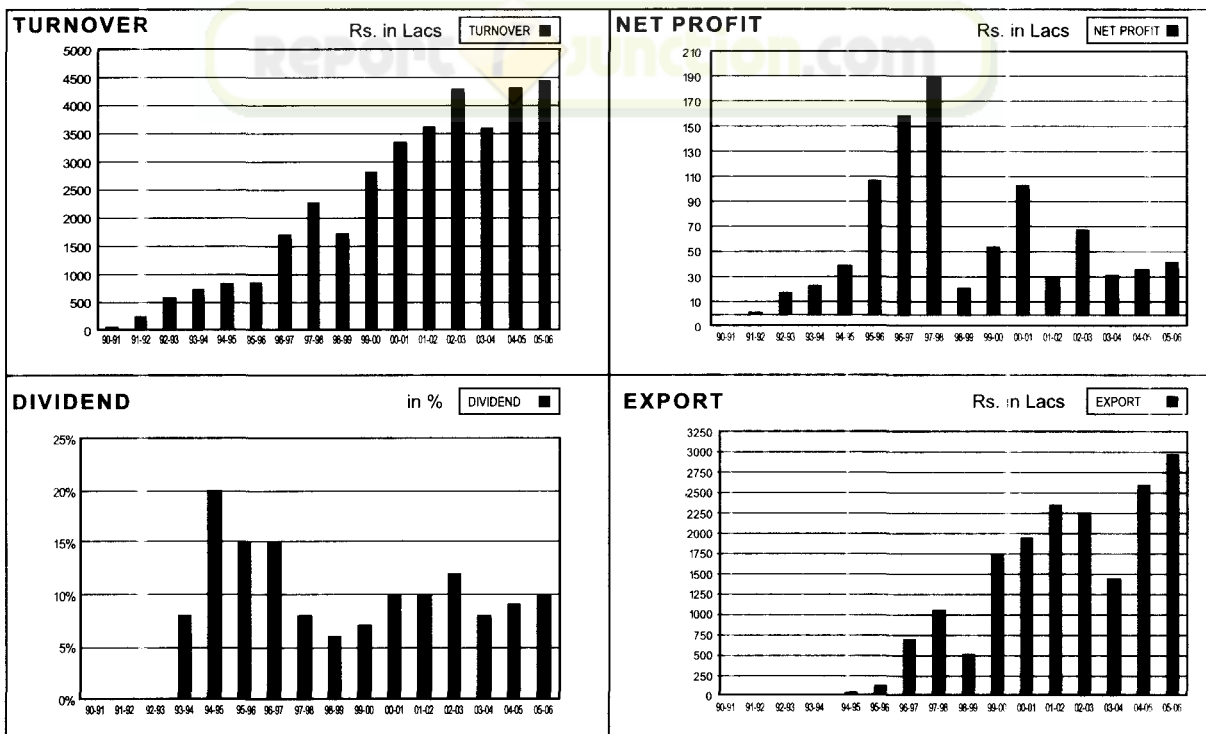
Bhageria, **A CUSTOMER DRIVEN COMPANY**, will continuously improve upon the services rendered to customers, meet customers needs in the shortest lead time, develop new Dyes & Intermediate for newer application areas. And will continue to enjoy privileged status as a **PREFERRED SUPPLIER**.

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.



17th Annual Report 2005-06

BOARD OF DIRECTOR

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.

SHREE TRANSFER AGENT

(PHYSICAL & DEMAT)

SHAREX DYNAMIC (INDIA) PVT. LTD.

Unit No.1, Luthra Ind. Premises,
Andheri Krula Road, Safed Pool,
Andheri (E), MUMBAI - 400 072.
Tel.: 28515606 / 2851 5644

REGISTERED OFFICE

A-101, Virwani Ind. Estate,
Western Express Highway,
Goregaon (East), MUMBAI - 400 063.
Tel.: 022-2874 8349 / 2876 0936
Fax : 022-2874 8389
Website : www.bhageriagroup.com
E-mail : bhageria@vsnl.com

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 : 2nd September, 2006.
Time : 11.00 A.M.
Venue : Lalit Restaurant Hall, Near Rly. Station,
Goregaon (W), Mumbai - 400 062.

BOOK CLOSURE :

29th August, 2006
to

2nd September, 2006
(BOTH DAYS INCLUSIVE)

Bhageria Dye-Chem Ltd.

BHAGERIA DYE CHEM LTD. FINANCIAL HIGHLIGHTS

PROFITABILITY	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99	1997-98	1996-97
Net Sales & Operating Revenues	4,432.85	4,294.59	3,577.45	4,282.34	3,605.48	3,335.68	2,799.92	1,698.64	2,267.24	1,693.26
Operating Profit	194.73	167.28	135.11	226.35	168.73	225.58	137.76	93.86	270.77	238.35
Other Income	2.57	1.11	1.23	0.63	1.80	2.32	3.33	3.21	0.48	5.50
Interest Charges	48.18	25.79	25.28	58.34	68.12	63.86	30.55	11.27	(3.18)	6.23
Depreciation	77.43	86.28	77.52	70.22	63.85	60.04	54.80	57.47	59.23	37.80
PBT & Extraordinary Items	71.69	56.32	33.54	98.42	38.56	104.00	55.74	28.33	215.20	199.82
Current Tax	33.00	19.50	9.00	23.60	1.18	-	0.25	6.00	25.00	40.00
Deferred Tax	(7.73)	(0.51)	3.61	6.14	0.62	-	-	-	-	-
Provision for FBT	3.67	-	-	-	-	-	-	-	-	-
Net Profit	42.75	37.33	32.06	68.68	36.76	104.00	55.49	22.33	190.20	159.82
Dividend	34.63	31.17	27.70	41.56	34.63	34.63	24.24	20.78	27.70	51.94
Tax on Dividend	4.85	4.29	3.55	5.32	-	3.53	5.33	2.07	2.77	5.20
Dividend Payout	39.48	35.46	31.25	46.88	34.63	38.16	29.57	22.85	30.47	57.14
Retained Profit	3.27	1.87	0.81	21.80	2.13	65.84	25.92	(0.52)	159.73	102.68
Forex Earnings on Exports	2,962.67	2,589.96	1,436.46	2,194.89	2,338.47	1,927.06	1,721.01	502.68	1,044.53	688.14
BALANCE SHEET										
Gross Fixed Assets	1,143.02	1,132.53	1,032.92	952.37	811.74	765.01	687.34	613.18	576.91	515.58
Net Fixed Asset	442.46	501.20	483.88	480.80	393.03	408.22	388.69	370.94	392.14	390.04
Investments	-	-	-	4.82	17.28	40.74	49.26	45.90	49.08	4.05
Net Current Assets	1,287.20	889.76	1,034.28	798.22	931.67	812.80	815.56	843.54	642.58	419.09
Capital Employed	1,729.67	1,390.96	1,518.16	1,283.84	1,341.98	1,261.76	1,253.52	1,260.38	1,083.81	813.18
Loan Fund	694.75	351.58	483.44	256.94	346.52	272.55	333.65	368.11	194.51	95.51
Deferred Tax Liability	47.27	55.00	55.51	51.89	45.75	-	-	-	-	-
Net Worth	987.65	984.38	979.21	975.01	949.71	989.21	919.87	892.27	889.30	717.67

BHAGERIA DYE CHEM LTD.
FINANCIAL HIGHLIGHTS

PROFITABILITY	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99	1997-98	1996-97
Net Worth represented by :-										
Share Capital	346.28	346.28	346.28	346.28	346.28	346.28	346.28	346.28	346.28	346.28
Reserve & Surplus	641.37	638.10	632.93	628.73	603.43	642.93	573.59	545.99	543.02	371.39
Book Value per Share	28.52	28.43	28.28	28.16	27.43	28.57	26.56	25.77	25.68	20.73
Market Price of Share(Rs.)	13.49	24.05	12.92	14.85	10.00	7.25	6.75	7.00	5.90	9.10
Capital Expenditure	21.40	104.13	83.21	170.39	49.51	80.22	74.16	39.67	61.33	120.96
Market Capitalisation (at year end share price)	467.12	832.79	447.39	514.22	346.28	251.05	233.74	242.39	204.30	315.11
RATIOS & STATISTICS										
Operating Margin (%)	4.39	3.90	3.78	5.29	4.68	6.76	4.92	5.53	11.94	14.08
Net Margin (%)	0.96	0.87	0.90	1.60	1.02	3.12	1.98	1.31	8.39	9.44
Interest Cover (EBITDA/Interest) (Times)	4.10	6.53	5.39	3.89	2.50	3.57	4.62	8.61	(85.30)	39.14
Pre-tax Interest Cover (EBIT/Interest) (Times)	2.49	3.18	2.33	2.60	1.57	2.63	2.82	3.51	(66.67)	33.07
ROACE (%)	2.47	2.68	2.11	5.35	2.74	8.24	4.43	1.77	17.55	19.65
Net Sales/Total Assets (Times)	2.56	3.09	2.36	3.34	2.69	2.64	2.23	1.35	2.09	2.08
Debts Equity Ratio (Times)	0.70	0.36	0.49	0.26	0.36	0.28	0.36	0.41	0.22	0.13
DPS (Rs)	1.00	0.90	0.80	1.20	1.00	1.00	0.70	0.60	0.80	1.50
EPS (Rs)	1.23	1.08	0.93	1.98	1.06	3.00	1.60	0.64	5.49	4.62
CEPS (Rs)	3.47	3.57	3.16	4.01	2.91	4.74	3.18	2.30	7.20	5.71
PRODUCTION										
Vinyl Sulphone (MT)	2962.823	3,075.444	2,841.786	2,659.383	2,545.145	2,269.260	1,626.210	1,123.563	1,337.737	921.633
Acetanlide (MT)	1476.600	2,018.505	1,571.250	1,572.905	1,491.600	831.355	1,023.471	674.650	848.850	

Bhageria Dye-Chem Ltd.

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 17th Annual General Meeting of the members of BHAGERIA DYE-CHEM LIMITED will be held on Saturday, September 02, 2006 at 11 A. M. at Lalit Restaurant Hall, Near Railway Station, Goregaon [West], 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, 2006 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, 2006.
3. To appoint a Director in place of Dr. Shyam Agarwal, who retires from office by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. P. S. Dalvi, 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.

SPECIAL BUSINESS :

To Consider and if thought fit, to pass with or without modification(s), the following Resolutions:

6. AS AN ORDINARY RESOLUTION:

"RESOLVED THAT subject to such approvals, consents and sanctions as may be necessary and further subject to such terms, conditions, stipulations and restrictions as may be imposed by the authorities while granting such approvals, consents, and sanctions, the consent of the Members be and it is hereby accorded pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 to the re-appointment of Mr. SURESH BHAGERIA as Executive Chairman of the Company for a period of Five Years from July 1, 2006 on the terms and conditions including the remuneration payable to him as the Executive Chairman and the minimum remuneration payable to him in the event of absence or inadequacy of profits in any year, as follows:

A. Salary: Upto Rs. 50,000/- per month i.e. not exceeding Rs. Fifty Thousand per month as may be decided by the Board from time to time.

B. Perquisites:

In addition to the salary, Mr. SURESH BHAGERIA shall be entitled to the perquisites and allowances like medical reimbursement and leave travel concession for self and his family including dependents, club fees, premium for medical and personal accident insurance and all other payments in the nature of perquisites and allowances as agreed by the Board of Directors shall be subject to such limits for these remuneration and perquisites as is laid down by the Government in Schedule XIII and/or changes / variations / substitutions made / that may be made therein from time to time.

FURTHER RESOLVED THAT the Board be and is hereby authorised to alter and vary the terms and conditions of the appointment provided however that the remuneration payable shall not exceed the limits specified in Schedule XIII of the Companies Act, 1956 as existing or as amended, modified or re-enacted from time to time.

17th Annual Report 2005-06

FURTHER RESOLVED THAT the Board of Directors be and it is hereby authorised to take all such steps and do all such acts and deeds as may be necessary to give effect to the above Resolution."

PROVIDED THAT the remuneration as above shall not in any financial year exceed 5% of the Net Profits (where the Company has only one such managerial personnel) OR 10% of the Net Profits if the Company has more than one managerial person for all of them put together.

7. AS AN ORDINARY RESOLUTION:

"RESOLVED THAT subject to such approvals, consents and sanctions as may be necessary and further subject to such terms, conditions, stipulations and restrictions as may be imposed by the authorities while granting such approvals, consents, and sanctions, the consent of the Members be and it is hereby accorded pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 to the re-appointment of Mr. VINOD BHAGERIA as Managing Director of the Company for a period of Five Years from July 1, 2006 on the terms and conditions including the remuneration payable to him as the Managing Director and the minimum remuneration payable to him in the event of absence or inadequacy of profits in any year, as follows:

A. Salary: Upto Rs. 50,000/- per month i.e. not exceeding Rs. Fifty Thousand per month as may be decided by the Board from time to time.

B. Perquisites:

In addition to the salary, Mr. VINOD BHAGERIA shall be entitled to the perquisites and allowances like medical reimbursement and leave travel concession for self and his family including dependents, club fees, premium for medical and personal accident insurance and all other payments in the nature of perquisites and allowances as agreed by the Board of Directors shall be subject to such limits for these remuneration and perquisites as is laid down by the Government in Schedule XIII and/or changes / variations / substitutions made / that may be made therein from time to time.

FURTHER RESOLVED THAT the Board be and is hereby authorised to alter and vary the terms and conditions of the appointment provided however that the remuneration payable shall not exceed the limits specified in Schedule XIII of the Companies Act, 1956 as existing or as amended, modified or re-enacted from time to time.

FURTHER RESOLVED THAT the Board of Directors be and it is hereby authorised to take all such steps and do all such acts and deeds as may be necessary to give effect to the above Resolution."

PROVIDED THAT the remuneration as above shall not in any financial year exceed 5% of the Net Profits (where the Company has only one such managerial personnel) OR 10% of the Net Profits if the Company has more than one managerial person for all of them put together.

8. AS A SPECIAL RESOLUTION:

"RESOLVED THAT subject to the provisions of Section 31 and all other applicable provisions of the Companies Act, 1956, the Company do hereby adopt new set of Articles of Association in place of the old set of Articles of Association."

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

28th June, 2006.

Bhageria Dye-Chem Ltd.

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 29/08/2006 to 02/09/2006 (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 4, 2006 to:
 - i]. to those members of the Company whose names stand registered on the Company's Register of Members as on August 28, 2006. 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 August 28, 2006
4. Pursuant to the provision of Section 205(A) of the Companies Act, 1956, unclaimed Dividend upto the year ended March 31, 1998 has been transferred to the credit of the General Revenue Account of the Central Government.

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 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, 1999 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 Bombay Stock Exchange Limited, Mumbai.
8.
 - a. The Company has appointed M/s. SHAREX DYNAMIC (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.

17th Annual Report 2005-06

M/S. SHAREX DYNAMIC (INDIA) PVT. LTD.

Unit : [BHAGERIA DYE CHEM LIMITED]

Unit No.1, Luthra Ind. Premises, Andheri Krula Road,

Safed Pool, Andheri (East), MUMBAI - 400 072.

Tel: 022 2851 5606 / 2851 5644

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.
14. An explanatory statement as required u/s.173 of the Companies Act, 1956 is enclosed herewith in respect of Special Business.
15. In all correspondence with the Company, members are requested to quote their Folio No. and in case their shares are held in dematerialised form, they must quote their DP ID and client ID Numbers.

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	:	DR. SHYAM AGARWAL
Age	:	51 years [12/01/1955].
Qualifications	:	M.S, D.O.M.S. (Bom)

Dr. Shyam Agarwal is associated with the Company since October 21, 1994 . He has an experience of over 23 years in the field of drugs and pharmaceuticals.

Other Directorships	:	NIL
Committee Memberships	:	NIL

B. Name	:	MR. P. S. DALVI
Age	:	55 [26/08/1951].
Qualifications	:	B.sc (TECH)

Mr. P. S. Dalvi is associated with the Company since September 1, 2000 and has experience of over 28 years in the various fields.

Other Directorships	:	NIL
Committee Memberships	:	NIL

Bhageria Dye-Chem Ltd.

EXPLANATORY STATEMENT U/S. 173 OF THE COMPANIES ACT, 1956

ITEM NO. 6:

It is proposed to re-appoint Mr. Suresh Bhageria as Executive Chairman of the Company for a period of Five Years w.e.f. July 1, 2006.

The terms and conditions including the remuneration payable to Mr. Suresh Bhageria as Executive Chairman of the Company are set out in the Resolution.

The Directors recommend the Resolution set out at item no. 6 of the Notice for the approval of the shareholders.

Mr. Suresh Bhageria may be deemed to be concerned or interested in this Resolution as it relates to his own reappointment. Also Mr. Vinod Bhageria may be deemed to be concerned or interested in the Resolution being related to Mr. Suresh Bhageria.

This Explanatory Statement alongwith the accompanying notice is and shall be deemed to be an abstract under section 302 of the Companies Act, 1956.

ITEM NO. 7:

It is proposed to re-appoint Mr. Vinod Bhageria as Managing Director of the Company for a period of Five Years w.e.f. July 1, 2006.

The terms and conditions including the remuneration payable to Mr. Vinod Bhageria as Managing Director of the Company are set out in the Resolution.

The Directors recommend the Resolution set out at item no. 7 of the Notice for the approval of the shareholders.

Mr. Vinod Bhageria may be deemed to be concerned or interested in this Resolution as it relates to his own reappointment. Also Mr. Suresh Bhageria may be deemed to be concerned or interested in the Resolution being related to Mr. Vinod Bhageria.

This Explanatory Statement alongwith the accompanying notice is and shall be deemed to be an abstract under section 302 of the Companies Act, 1956.

ITEM NO. 8:

The present Articles of Association of the Company was made and prepared when the Company gone to public and since then many alterations and changes have taken place. The Board therefore at their meeting held on June 28, 2006 decided to adopt new set of Articles of Association containing the present provisions of the Law.

A copy of the new set of Articles of Association is 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.

The Board recommends the resolution be passed.

None of the Directors of the Company are concerned or interested in the Resolution.

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

28th June, 2006.