



**BHAGERIA DYE-CHEM LIMITED**

**18th** ANNUAL REPORT 2006-2007



## Bhageria Dye-Chem Ltd.

### Mission Statement

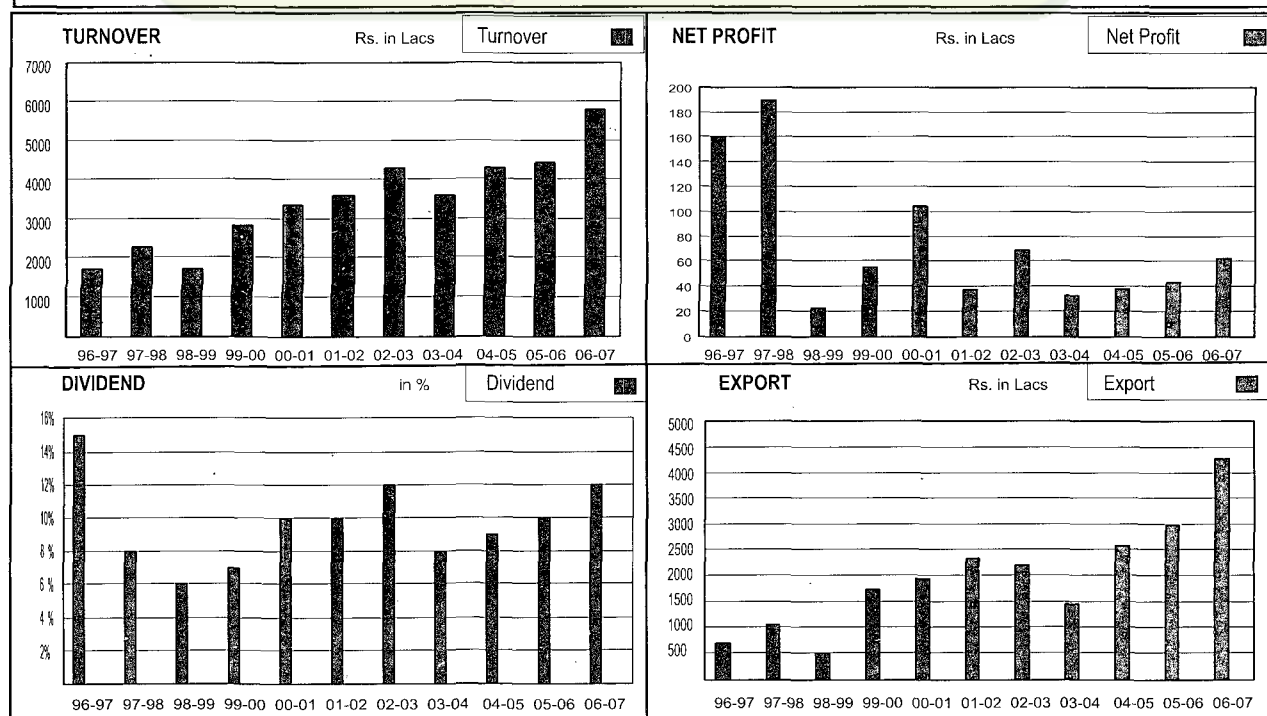
Bhageria, **A CUSTOMER DRIVEN COMPANY**, will continuously improve upon the services rendered to customers, meet customers needs in the shortest lead time, develop new Dyes & Intermediate for newer application areas. And will continue to enjoy privileged status as a **PREFERRED SUPPLIER**.

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.



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### 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 DYNAMIC (INDIA) PVT. LTD.**

Unit No.1, Luthra Ind. Premises, Andheri Kurla Road,  
Safed Pool, Andheri (East), MUMBAI - 400 072.  
Tel: 022 2851 5606 / 2851 5644

### REGISTERED OFFICE

A-101, Virwani Ind. Estate.  
Western Express Highway,  
Goregaon ( East )  
MUMBAI- 400 063.  
Tel no. (022) 40436666/ 28760936.  
Web Site: www.bhageriagroup.com

### WORKS

Plot No.6310, IV Phase,  
G.I.D.C Vapi - 396 195.  
GUJARAT  
Tel no. (0260) 2452366/2451247

### BANKERS

**ORIENTAL BANK OF COMMERCE**

Overseas Branch,  
Nariman Point,  
MUMBAI - 400 021.

### ANNUAL GENERAL MEETING

Date : 1st September, 2007  
Time : 11.00 A.M.  
Venue : Lalit Restaurant Hall, Near Rly. Station,  
Goregaon(W), Mumbai - 400 062.

**BOOK CLOSURE :**  
**28th AUGUST, 2007**  
**to**  
**1st SEPTEMBER, 2007**  
**( BOTH DAYS INCLUSIVE )**



# Bhageria Dye-Chem Ltd.

## BHAGERIA DYE CHEM LTD

### FINANCIAL HIGHLIGHTS

PROFITABILITY	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99	1997-98
Net Sales & Operating Revenues	5787.63	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
Operating Profit	237.53	194.73	167.28	135.11	226.35	168.73	225.58	137.76	93.86	270.77
Other Income	2.81	2.57	1.11	1.23	0.63	1.80	2.32	3.33	3.21	0.48
Interest Charges	71.93	48.18	25.79	25.28	58.34	68.12	63.86	30.55	11.27	(3.18)
Depreciation	71.93	77.43	86.28	77.52	70.22	63.85	60.04	54.80	57.47	59.23
PBT & Extraordinary Items	96.48	71.69	56.32	33.54	98.42	38.56	104.00	55.74	28.33	215.20
Current Tax	31.25	33.00	19.50	9.00	23.60	1.18	-	0.25	6.00	25.00
Deferred Tax	3.17	(7.73)	(0.51)	3.61	6.14	0.62	-	-	-	-
Provision for FBT	3.42	3.67	-	-	-	-	-	-	-	-
Net Profit	62.06	42.75	37.33	32.06	68.68	36.76	104.00	55.49	22.33	190.20
Dividend	41.55	34.63	31.17	27.70	41.56	34.63	34.63	24.24	20.78	27.70
Tax on Dividend	7.06	4.85	4.29	3.55	5.32	-	3.53	5.33	2.07	2.77
Dividend Payout	48.61	39.48	35.46	31.25	46.88	34.63	38.16	29.57	22.85	30.47
Retained Profit	13.45	3.27	1.87	0.81	21.80	2.13	65.84	25.92	(0.52)	159.73
Forex Earnings on Exports	4285.89	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
<b>BALANCE SHEET</b>										
Gross Fixed Assets	1266.93	1,143.02	1,132.53	1,032.92	952.37	811.74	765.01	687.34	613.18	576.91
Net Fixed Asset	502.77	442.46	501.20	483.88	480.80	393.03	408.22	388.69	370.94	392.14
Investments	-	-	-	-	4.82	17.28	40.74	49.26	45.90	49.08
Net Current Assets	1189.63	1,287.20	889.76	1,034.28	798.22	931.67	812.80	815.56	843.54	642.58
Capital Employed	1692.4	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
Loan/Fund	640.86	694.75	351.58	483.44	256.94	346.52	272.55	333.65	368.11	194.51
Deferred Tax Liability	50.44	47.27	55.00	55.51	51.89	45.75	-	-	-	-
Net Worth	1,001.10	987.65	984.38	979.21	975.01	949.71	989.21	919.87	892.27	889.30

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**BHAGERIA DYE CHEM LTD**  
**FINANCIAL HIGHLIGHTS**

PROFITABILITY	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99	1997-98
<b>Net Worth represented by:-</b>										
Share Capital	346.28	346.28	346.28	346.28	346.28	346.28	346.28	346.28	346.28	346.28
Reserve & Surplus	654.82	641.37	638.10	632.93	628.73	603.43	642.93	573.59	545.99	543.02
Book Value per Share	28.91	28.52	28.43	28.28	28.16	27.43	28.57	26.56	25.77	25.68
Market Price of Share(Rs.)	135.04	13.49	24.05	12.92	14.85	10.00	7.25	6.75	7.00	5.90
Capital Expenditure	467.47	21.40	104.13	83.21	170.39	49.51	80.22	74.16	39.67	61.33
Market Capitalisation (at year end share price)	467.47	467.12	832.79	447.39	514.22	346.28	251.05	233.74	242.39	204.30
<b>RATOS &amp; STATISTICS</b>										
Operating Margin (%)	4.10	4.39	3.90	3.78	5.29	4.68	6.76	4.92	5.53	11.94
Net Margin (%)	1.07	0.96	0.87	0.90	1.60	1.02	3.12	1.98	1.31	8.39
Interest Cover (EBITDA/Interest)	3.34	4.10	6.53	5.39	3.89	2.50	3.57	4.62	8.61	(85.30)
Pre-tax Interest Cover (EBIT/Interest)	2.34	2.49	3.18	2.33	2.69	1.57	2.63	2.82	3.51	(66.67)
ROACE (%)	3.67	2.47	2.68	2.11	5.35	2.74	8.24	4.43	1.77	17.55
Net Sales / Total Assets (Times)	3.42	2.56	3.09	2.36	3.34	2.69	2.64	2.23	1.35	2.09
Debits Equity Ratio (Times)	0.64	0.70	0.36	0.49	0.26	0.36	0.28	0.36	0.41	0.22
DPS (Rs.)	1.20	1.00	0.90	0.80	1.20	1.00	1.00	0.70	0.60	0.80
EPS (Rs.)	1.79	1.23	1.08	0.93	1.98	1.06	3.00	1.60	0.64	5.49
CEPS (Rs.)	3.87	3.47	3.57	3.16	4.01	2.91	4.74	3.18	2.30	7.20
<b>PRODUCTION</b>										
Vinyl Sulphone (MT)	3187.108	2962.823	3,075.444	2,841.786	2,659.383	2,545.145	2,289.260	1,626.210	1,123.563	1,337.737
Acetanilide (MT)	1700.000	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 18th Annual General Meeting of the members of BHAGERIA DYE-CHEM LIMITED will be held on Saturday, 1st September, 2007 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, 2007 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, 2007.
3. To appoint a Director in place of Mr. Suresh Bhageria, who retires from office by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Vinod Bhageria, 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 in partial modification of the Ordinary Resolution passed at the Annual General Meeting held on September 2, 2006 and 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, Consent of the Members be and 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 revision in Salary of Mr. Suresh Bhageria, Chairman of the Company upto Rs. 200,000/- p.m. as may be decided by the Board of Directors plus all the perquisites and the other terms and conditions remaining same as provided in the said Resolution.

**FURTHER RESOLVED THAT** the Board be and is hereby authorised to fix, alter and vary the terms and conditions of the appointment provided however that the remuneration payable shall not exceed the limits mentioned above and 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.

#### MINIMUM REMUNERATION:

The remuneration as above including perquisites shall nevertheless be paid as minimum remuneration in the event of absence or inadequacy of profits in any financial year subject to the condition that the remuneration shall not without the approval of the Central Government, if required, exceed the limits specified in Section II or Part II of Schedule XIII computed on the basis of the effective capital of the Company as defined in the explanation under Para 3 of Section II to Schedule XIII of the Companies Act 1956 as in force for the time being or as amended in the future.

#### 7. AS AN ORDINARY RESOLUTION:

"RESOLVED THAT in partial modification of the Ordinary Resolution passed at the Annual general Meeting held on September 2, 2006 and 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, Consent of the Members be and 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 revision in Salary of

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Mr. Vinod Bhageria, Managing Director of the Company upto Rs. 200,000/- p.m. as may be decided by the Board of Directors plus all the perquisites and the other terms and conditions remaining same as provided in the said Resolution.

**FURTHER RESOLVED THAT** the Board be and is hereby authorised to fix, alter and vary the terms and conditions of the appointment provided however that the remuneration payable shall not exceed the limits mentioned above and 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 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.

### MINIMUM REMUNERATION:

The remuneration as above including perquisites shall nevertheless be paid as minimum remuneration in the event of absence or inadequacy of profits in any financial year subject to the condition that the remuneration shall not without the approval of the Central Government, if required, exceed the limits specified in Section II or Part II of Schedule XIII computed on the basis of the effective capital of the Company as defined in the explanation under Para 3 of Section II to Schedule XIII of the Companies Act 1956 as in force for the time being or as amended in the future.

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

30th June, 2007.

### 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 28/8/2007 to 1/9/2007 (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 10, 2007.
4. Pursuant to the provision of Section 205(A) of the Companies Act, 1956, unclaimed Dividend upto the year ended March 31, 1999 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 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.

## Bhageria Dye-Chem Ltd.

Details of unclaimed Dividend with its due date of transfer to Investors education and protection Fund is as below:

<u>Sr. No.</u>	<u>Year ended</u>	<u>Date of Declaration</u>	<u>Amount</u>	<u>Due date of transfer to IEPF</u>
1.	31.03.2000	23.09.2000	99510.00	22.10.2007
2.	31.03.2001	22.09.2001	102700.00	21.10.2008
3.	31.03.2002	07.09.2002	106102.00	06.10.2009
4.	31.03.2003	06.09.2003	115951.20	05.10.2010
5.	31.03.2004	25.09.2004	102703.00	24.10.2011
6.	31.03.2005	17.09.2005	101141.58	16.10.2012
7.	31.03.2006	02.09.2006	132280.37	01.10.2013

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 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.

**M/s. SHAREX DYNAMIC (INDIA) PRIVATE LIMITED**  
 (Unit : BHAGERIA DYE-CHEM LIMITED)  
 Unit No.1, Luthra Ind. Premises, Andheri Kurla 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. 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.
15. Explanatory statement pursuant to section 173 of the Companies Act, 1956 is enclosed herewith.



**18th Annual Report 2006-07****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. Suresh Bhageria

Age : 52 (14/1/1955)

Qualifications : B.com

Mr. Suresh Bhageria is associated with the Company since October 21, 1994. He has an experience of over 27 years in the field of drugs and pharmaceuticals.

Other Directorships : 1. Bhageria Trade Invest Pvt. Ltd.  
2. Zenith Speciality Pvt. Ltd.  
3. M & B Speciality & Pharma Pvt. Ltd.

Committee Memberships : NIL

B. Name : Mr. Vinod Bhageria

Age : 51 [20/06/1956]

Qualifications : B. Com

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

Other Directorships : 1. Bhageria Trade Invest Pvt. Ltd.  
2. Zenith Speciality Pvt. Ltd.

Committee Memberships : NIL

**EXPLANATORY STATEMENT U/S. 173 OF THE COMPANIES ACT, 1956****ITEM NO. 6:**

It is proposed to partially amend and modify the Ordinary Resolution passed at the Annual General Meeting held on September 2, 2006.

The modification relates to revise the Salary structure of Mr. Suresh Bhageria, Chairman of the Company upto Rs. 200,000/- p.m. The actual structure will be decided by the Board within the ceiling as may be approved by the Shareholders. Mr. Suresh Bhageria was re-appointed as Chairman for a period of Five Years at the Annual General Meeting held on September 2, 2006.

In view of improvement in the performance of the Company and the time devoted by Mr. Suresh Bhageria, the Board of Directors thought fit to revise the Salary structure of Mr. Suresh Bhageria upto Rs. 200,000/- p.m. The other terms and conditions including the perquisites payable to Mr. Suresh Bhageria as Chairman of the Company will remain same.

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 revision. 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.

## Bhageria Dye-Chem Ltd.

### ITEM NO. 7:

It is proposed to partially amend and modify the Ordinary Resolution passed at the Annual General Meeting held on September 2, 2006.

The modification relates to revise the Salary structure of Mr. Vinod Bhageria, Managing Director of the Company upto Rs. 200,000/- p.m. The actual structure will be decided by the Board within the ceiling as may be approved by the Shareholders. MR. VINOD BHAGERIA was re-appointed as Managing Director for a period of Five Years at the Annual General Meeting held on September 2, 2006.

In view of improvement in the performance of the Company and the time devoted by Mr. Vinod Bhageria, the Board of Directors thought fit to revise the Salary structure of Mr. Vinod Bhageria upto Rs. 200,000/- p.m. The other terms and conditions including the perquisites payable to MR. VINOD BHAGERIA as Managing Director of the Company will remain same.

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 revision. 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.

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

Place : Mumbai,  
Date : 30th June, 2007.