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BHAGERIA DYE-CHEM LIMITED

19TH ANNUAL REPORT

19TH ANNUAL REPORT 2007-2008

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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 Appartment,
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 Krula Road, Safed Pool,
Andheri (E), MUMBAI - 400 072.
Tel. : (022) 28515606 / 28515644

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.: (0260) 2452366/2451247

BANKERS
ORIENTAL BANK OF COMMERCE
Overseas Branch,
Nariman Point,
MUMBAI - 400 021.

ANNUAL GENERAL MEETING
Date : 23rd August, 2008
Time : 11.00 A.M.
Venue : D. G. Khetan International School,
Krishna Realities, Behind Sunder Nagar,
Off. S. V. Road & Link Road,
Malad (West), Mumbai 400 064

BOOK CLOSURE :
19th AUGUST, 2008
to
23rd AUGUST, 2008
(BOTH DAYS INCLUSIVE)

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Mission Statement

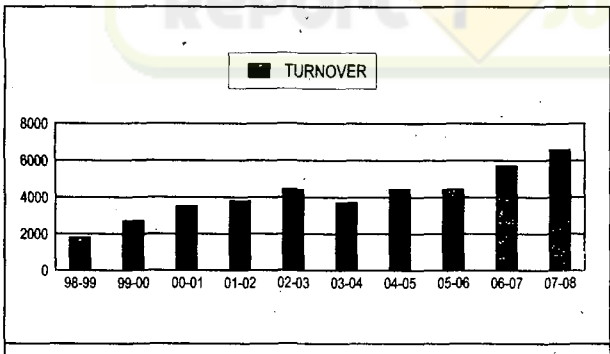
Bhageria, **A CUSTOMER DRIVEN COMPANY,** will continuously improve upon the services rendered to customers, meet customers needs in the shortest lead time, develope new Dyes & intermediate for newer application areas. And will continue to enjoy previledged status as a **PREFERRED SUPPLIER**.

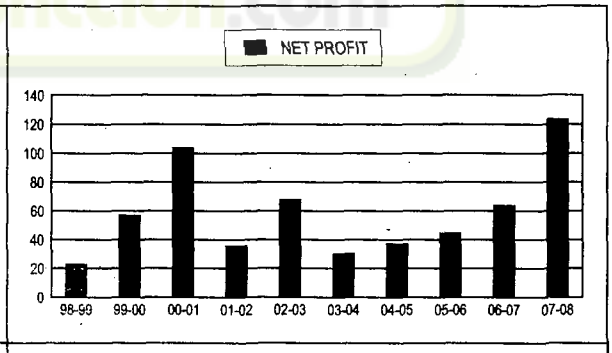
Bhageria, **A SHAREHOLDER DRIVEN COMPANY**, will remain focused only in the areas of its Core Competency, Emphasis on the Quality of Business rather than the size of the business, Maintain Profit Related Growth Policy, Implement Corporate Governance, Regard Shareholder wealth Creation to be the key driver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

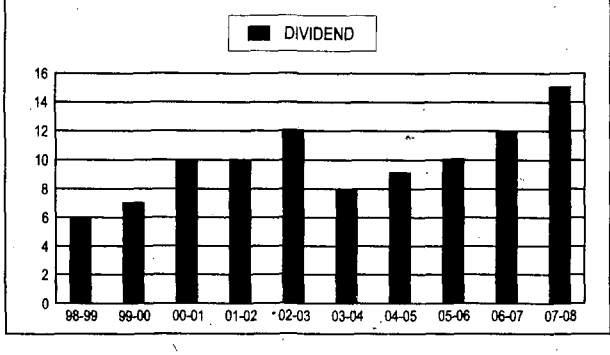
Bhageria, **A BRAND DRIVEN COMPANY**, will maintain and improve upon **BHAGERIA** Brandname, and will Create BHAGERIA Brand awareness in international Markets through export of Quality Products.

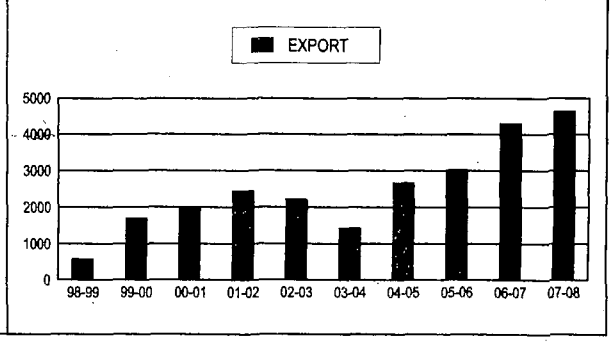
Bhageria, **A PEOPLE DRIVEN COMPANY,** will Train, Empower and create a superior pool of intellect, capable of leading its Innovation Drive.

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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BHAGERIA DYE CHEM LTD

FINALCIAL HIGHLIGHTS

PROFITABILITY	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99
Net Sales & Operating Revenues	6,537.38	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
Operating Profit	357.57	237.53	194.73	167.28	135.11	226.35	168.73	225.58	137.76	93.86
Other Income	13.89	2.81	2.57	1.11	1.23	0.63	1.80	2.32	3.33	3.21
Interest Charges	95.91	71.93	48.18	25.79	25.28	58.34	68.12	63.86	30.55	11.27
Depreciation	84.02	71.93	77.43	86.28	77.52	70.22	63.85	60.04	54.80	57.47
PBT & Extraordinary Items	191.53	96.48	71.69	56.32	33.54	98.42	38.56	104.00	55.74	28.33
Current Tax	56.57	31.25	33.00	19.50	9.00	23.60	1.18	-	0.25	6.00
Deferred Tax	11.00	3.17	(7.73)	(0.51)	3.61	6.14	0.62	-	-	-
Provision for FBT	2.73	3.42	3.67	-	-	-	-	-	-	-
Net Profit	121.23	62.06	42.75	37.33	32.06	68.68	36.76	104.00	55.49	22.33
Dividend	51.94	41.55	34.63	31.17	27.70	41.56	34.63	34.63	24.24	20.78
Tax on Dividend	8.83	7.06	4.85	4.29	3.55	5.32	-	3.53	5.33	2.07
Dividend Payout	60.77	48.61	39.48	35.46	31.25	46.88	34.63	38.16	29.57	22.85
Retained Profit	34.92	13.45	3.27	1.87	0.81	21.80	2.13	65.84	25.92	(0.52)
Forex Earnings on Exports	4531.91	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
BALANCE SHEET										
Gross Fixed Assets	1,352.68	1266.93	1,143.02	1,132.53	1,032.92	952.37	811.74	765.01	687.34	613.18
Net Fixed Asset	532.09	502.77	442.46	501.20	483.88	480.80	393.03	408.22	388.69	370.94
Investments	4.94	-	-	-	-	4.82	17.28	40.74	49.26	45.90
Net Current Assets	2,012.94	1189.63	1,287.20	889.76	1,034.28	798.22	931.67	812.80	815.56	843.54
Capital Employed	2,549.97	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
Loan Fund	1,452.52	640.86	694.75	351.58	483.44	256.94	346.52	272.55	333.65	368.11
Deferred Tax Liability	61.44	50.44	47.27	55.00	55.51	51.89	45.75	-	-	-
Net Worth	1,036.01	1,001.10	987.65	984.38	979.21	975.01	949.71	989.21	919.87	892.27

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BHAGERIA DYE CHEM LTD

FINALCIAL HIGHLIGHTS

PROFITABILITY		2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99
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		689.74	654.82	641.37	638.10	632.93	628.73	603.43	642.93	573.59	545.99
Book Value per Share		29.92	28.91	28.52	28.43	28.28	28.16	27.43	28.57	26.56	25.77
Market Price of Share(Rs.)		24.3	13.5	13.49	24.05	12.92	14.85	10.00	7.25	6.75	7.00
Capital Expenditure		117.40	135.04	21.40	104.13	83.21	170.39	49.51	80.22	74.16	39.67
Market Capitalisation (at year end share price)		841.45	467.47	467.12	832.79	447.39	514.22	346.28	251.05	233.74	242.39
RATIOS & STATISTICS											
Operating Margin	%	5.47	4.10	4.39	3.90	3.78	5.29	4.68	6.76	4.92	5.53
Net Margin	%	1.85	1.07	0.96	0.87	0.90	1.60	1.02	3.12	1.98	1.31
Interest Cover (EBITDA/Interest)	Times	3.87	3.34	4.10	6.53	5.39	3.89	2.50	3.57	4.62	8.61
Pre-tax Interest Cover (EBIT/Interest)	Times	3.00	2.34	2.49	3.18	2.33	2.69	1.57	2.63	2.82	3.51
ROACE	%	4.75	3.67	2.47	2.68	2.11	5.35	2.74	8.24	4.43	1.77
Net Sales / Total Assets	Times	2.56	3.42	2.56	3.09	2.36	3.34	2.69	2.64	2.23	1.35
Debts Equity Ratio	Times	1.40	0.64	0.70	0.36	0.49	0.26	0.36	0.28	0.36	0.41
DPS	Rs	1.50	1.20	1.00	0.90	0.80	1.20	1.00	1.00	0.70	0.60
EPS	Rs	3.50	1.79	1.23	1.08	0.93	1.98	1.06	3.00	1.60	0.64
CEPS	Rs	5.93	3.87	3.47	3.57	3.16	4.01	2.91	4.74	3.18	2.30
PRODUCTION											
Vinyl Sulphone	MT	3190.927	3187.108	2962.823	3075.444	2841.786	2659.383	2545.145	2269.260	1626.210	1123.563
Acetanlide	MT	1394.704	1700.000	1476.600	2018.505	1571.250	1572.905	1491.600	831.355	1023.471	674.650

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NOTICE TO THE MEMBERS

NOTICE is hereby given that the 19th Annual General Meeting of the members of BHAGERIA DYE-CHEM LIMITED will be held on Saturday, August 23, 2008 at 11 A. M. at D.G. Khetan International School, Krishna Realities, Behind Sunder Nagar, Off. S. V. Road & Link Road, Malad (West), Mumbai - 400 064 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, 2008 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, 2008.
3. To appoint a Director in place of Mr. Shashikant 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.

June 18,2008.

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

Suresh Bhageria
Chairman

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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 FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 19/08/2008 to 23/08/2008 (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 August 25, 2008.
4. Pursuant to the provision of Section 205(A) of the Companies Act, 1956, unclaimed Dividend upto the year ended March 31, 2000 has been transferred to the credit of the General Revenue Account of the Central Government.

   Members should note that unclaimed dividend for the year ended 31.03.2001 and thereafter may be claimed from the Company and those members who have not yet received or encashed their Dividend Warrants may write to the Company with relevant particulars.

   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.

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

Sr. No.	Year ended	Date of Declaration	Amount	Due date of transfer to IEPF
1.	31.03.2001	22.09.2001	102500.00	21.10.2008
2.	31.03.2002	07.09.2002	91998.00	06.10.2009
3.	31.03.2003	06.09.2003	115471.20	05.10.2010
4.	31.03.2004	25.09.2004	102063.00	24.10.2011
5.	31.03.2005	17.09.2005	99716.64	16.10.2012
6.	31.03.2006	02.09.2006	119832.05	01.10.2013
7.	31.03.2007	01.09.2007	170549.83	30.09.2014

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.

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.

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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 : 50 [30/05/1958].

Qualifications : B.Com. (Hons.), LL.B, F.C.A., F.C.S.

Mr. S. P. Tulsian is associated with the Company since October 21, 1994. He has an experience of over 25 years in the field of Corporate Finance.

Other Directorships:

- Narmada Prakashan P. Ltd.
- Narmada Appliances P. Ltd.
- Narmada Publishing House (India) P. Ltd.
- Uptrend Securities P. Ltd.
- Saptarung Securities P. Ltd.
- Keyscript Investment & Trading P. Ltd.
- Premium Narmada Securities & Broking P. Ltd.
- Twenty First Century Management Services Ltd.

Committee Memberships: NIL.

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B. Name : MR. O. P. BUBNA

Age : 58 [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

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DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have great pleasure in presenting 19th Annual Report together with the Audited accounts for the year ended March 31, 2008.

FINANCIAL RESULTS:

	Year ended 31.03.2008 Rs. In Lacs	Year ended 31.03.2007 Rs. In Lacs
Sales & Other Income	**6551.26**	5790.44
Profit before tax and appropriations	**191.53**	99.91
Profit after tax	**121.23**	62.06
Add : Balance brought forward from previous year	**170.61**	200.61
Profit available for disposal	**266.30**	262.67
Proposed Dividend	**60.77**	48.61
Transfer to General Reserve	**69.90**	43.44
Profit carried forward	**135.63**	170.61

DIVIDEND:

Your Directors are pleased to recommend for consideration of the Shareholders at the Annual General Meeting payment of dividend for the year ended March 31, 2008 of Rs. 1.50/- 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 15th consecutive year of payment of Dividend by your company.

OPERATIONS:

During the year under review, your company has achieved total income of Rs. 6551.26 lacs against Rs. 5790.44 lacs in previous year and a net profit of Rs. 121.23 lacs as against Rs. 62.06 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. Shashikant Tulsian and Mr. O. P. Bubna, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

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, 2008.
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.

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 (India) 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

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Shareholders 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.

CORPORATE GOVERNANCE:

Your Company continued to practice good governance as set out by the Securities And Exchange Board of India. In addition to the basic governance issues, the Board laid a strong emphasis on transparency, accountability and integrity. The detailed report on compliance of Corporate Governance and Management Discussion Analysis as stipulated in Clause 49 of the Listing Agreement is enclosed and form part of this Report.

CODE OF CONDUCT:

Your Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board of Directors have implemented a Code of Conduct for adherence by the Directors and Senior Management Personnel of the Company. This will help in dealing with ethical issues and also foster a culture of accountability and integrity.

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, 2009 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.

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

The information pursuant to section 217 (I) (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 Equity Shares on Mumbai Stock Exchange Limited, Mumbai.

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

June 18,2008.

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

Suresh Bhageria
Chairman

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