

## 21st Annual Report 2009-10

### BOARD OF DIRECTORS

<b>Mr. Suresh Bhageria</b>	-	Chairman
<b>Dr. Shyam Agarwal</b>	-	Director
<b>Mr. O.P. Bubna</b>	-	Director
<b>Mr. P.S. Dalvi</b>	-	Director
<b>Mr. Vinod Bhageria</b>	-	Managing Director

### AUDITORS

#### M/s SARDA & PAREEK

Chartered Accountants  
Mahavir Apartment,  
3rd Flor, 598 M.G.Road  
Vile Parle (East), MUMBAI - 400057

### SHARE TRANSFER AGENT (PHYSICAL & DEMAT)

SHAREX DYNAMIC (INDIA) PVT. LTD.  
Unit No.1, Luthra Ind. Premises,  
Anderi Kurla Road, Safed Pool,  
Andheri (E), MUMBAI - 400072.

### REGISTERED OFFICE

A-101, Virwani Ind. Estate  
Western Express Highway,  
Goregaon (East), MUMBAI - 400063.  
Tel No. (022) 40436666.  
Website: www.bhageriagroup.com

### WORKS

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

### BANKERS

**ORIENTAL BANK OF COMMERCE**

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### ANNUAL GENERAL MEETING

Date : 14th August, 2010  
Time : 11.00 A.M  
Venue : Lalit Restaurant hall, Near Rly. Station,  
Goregaon (W), Mumbai - 400062.

**BOOK CLOSURE :**  
**10TH AUGUST, 2010**  
**to**  
**13TH AUGUST, 2010**  
**(BOTH DAYS INCLUSIVE)**

*Bhageria Dye Chem Ltd.*

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FINANCIAL HIGHLIGHTS

	Rs. in Lacs									
	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
<b>PROFITABILITY</b>										
Net Sales & Operating Revenues	5,643.18	5,386.31	6,537.38	5,787.63	4,432.85	4,294.59	3,577.45	4,282.34	3,605.48	3,335.68
Operating Profit	297.38	(41.51)	357.57	237.53	194.73	167.28	135.11	226.35	168.73	225.58
Other Income	0.32	68.06	13.89	2.81	2.57	1.11	1.23	0.63	1.80	2.32
Interest Charges	123.96	113.83	95.91	71.93	48.18	25.79	25.28	58.34	68.12	63.86
Depreciation	72.75	84.17	84.02	71.93	77.43	86.28	77.52	70.22	63.85	60.04
PBT & Extraordinary Items	101.00	-171.44	191.53	96.48	71.69	56.32	33.54	98.42	38.56	104.00
Current Tax	16.00	-	56.57	31.25	33.00	19.50	9.00	23.60	1.18	-
Deferred Tax	27.52	-56.24	11.00	3.17	(7.73)	(0.51)	3.61	6.14	0.62	-
Provision for FBT	-	2.76	2.73	3.42	3.67	-	-	-	-	-
Net Profit	57.48	-117.95	121.23	62.06	42.75	37.33	32.06	68.68	36.76	104.00
Dividend	41.55	20.78	51.94	41.55	34.63	31.17	27.70	41.56	34.63	34.63
Tax on Dividend	7.06	3.53	8.83	7.06	4.85	4.29	3.55	5.32	-	3.53
Dividend Payout	48.61	24.31	60.77	48.61	39.48	35.46	31.25	46.88	34.63	38.16
Retained Profit	8.87	(147.86)	34.92	13.45	3.27	1.87	0.81	21.80	2.13	65.84
Forex Earnings on Exports	3576.28	4789.33	4531.91	4285.89	2,962.67	2,589.96	1,436.46	2,194.89	2,338.47	1,927.06
<b>BALANCE SHEET</b>										
Gross Fixed Assets	1,278.51	1,362.57	1,352.68	1,266.93	1,143.02	1,132.53	1,032.92	952.37	811.74	765.01
Net Fixed Asset	415.98	468.15	532.09	502.77	442.46	501.20	483.88	480.80	393.03	408.22
Investments	-	4.94	4.94	-	-	-	-	4.82	17.28	40.74
Net Current Assets	1,684.43	1,298.89	2,012.94	1,189.63	1,287.20	889.76	1,034.28	798.22	931.67	812.80
Capital Employed	2,149.02	1,771.96	2,549.97	1,692.4	1,729.67	1,390.96	1,518.16	1,283.84	1,341.98	1,261.76
Loan Fund	1,113.41	854.31	1,452.52	640.86	694.75	351.58	483.44	256.94	346.52	272.55
Deferred Tax Liability	32.71	5.19	61.44	50.44	47.27	55.00	55.51	51.89	45.75	-
Net Worth	1,002.90	912.46	1,036.01	1,001.10	987.65	984.38	979.21	975.01	949.71	989.21

# Bhageria Dye Chem Ltd.

## FINANCIAL HIGHLIGHTS

	Rs. in Lacs									
PROFITABILITY	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
<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	656.62	566.18	689.74	654.82	641.37	638.10	632.93	628.73	603.43	642.93
Book Value per Share	28.96	26.35	29.92	28.91	28.52	28.43	28.28	28.16	27.43	28.57
Market Price of Share(Rs.)	23.85	14.50	24.3	13.5	13.49	24.05	12.92	14.85	10.00	7.25
Capital Expenditure	24.47	37.42	117.40	135.04	21.40	104.13	83.21	170.39	49.51	80.22
Market Capitalisation(at year end share price)	825.87	502.10	841.45	467.47	467.12	832.79	447.39	514.22	346.28	251.05
<b>RATIOS &amp; STATISTICS</b>	<b>2009-10</b>	<b>2008-09</b>	<b>2007-08</b>	<b>2006-07</b>	<b>2005-06</b>	<b>2004-05</b>	<b>2003-04</b>	<b>2002-03</b>	<b>2001-02</b>	<b>2000-01</b>
Operating Margin %	5.27	-0.77	5.47	4.10	4.39	3.90	3.78	5.29	4.68	6.76
Net Margin %	1.02	(2.19)	1.85	1.07	0.96	0.87	0.90	1.60	1.02	3.12
Interest Cover (EBITDA/Interest) Times	2.40	0.23	3.87	3.34	4.10	6.53	5.39	3.89	2.50	3.57
Pre-tax Interest Cover (EBIT/Interest) Times	1.81	(0.51)	3.00	2.34	2.49	3.18	2.33	2.69	1.57	2.63
ROACE %	2.67	(6.66)	4.75	3.67	2.47	2.68	2.11	5.35	2.74	8.24
Net Sales / Total Assets Times	2.63	3.04	2.56	3.42	2.56	3.09	2.36	3.34	2.69	2.64
Debt Equity Ratio Times	1.11	0.94	1.40	0.64	0.70	0.36	0.49	0.26	0.36	0.28
DPS Rs	1.20	0.60	1.50	1.20	1.00	0.90	0.80	1.20	1.00	1.00
EPS Rs	1.66	-3.41	3.50	1.79	1.23	1.08	0.93	1.98	1.06	3.00
CEPS Rs	3.76	-0.98	5.93	3.87	3.47	3.57	3.16	4.01	2.91	4.74
<b>PRODUCTION</b>										
Vinyl Sulphone MT	2802.157	2127.449	3190.927	3187.108	2962.823	3,075.444	2,841.786	2,659.383	2,545.145	2,269.260
Acetanilide MT	1371.396	992.15	1394.704	1700.000	1476.6	2,018.505	1,571.250	1,572.905	1,491.600	831.355

## 21st Annual Report 2009-10

### DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have great pleasure in presenting 21st Annual Report together with the Audited accounts for the year ended March 31, 2010.

#### FINANCIAL RESULTS:

	Year ended 31.03.2010 Rs. In Lacs	Year ended 31.03.2009 Rs. In Lacs
Sales & Other Income	5643.50	5466.50
Profit before tax and appropriations	101.00	-171.44
Profit after tax	57.48	-117.95
Add : Balance brought forward from previous year	1.11	135.62
Profit available for disposal	58.59	12.07
Proposed Dividend	48.61	24.31
Transfer to / From General Reserve	5.00	-13.35
Extra Ordinary Income- Grant Received	57.27	---
Transfer to Capital Reserve	57.27	---
Profit carried forward	4.98	1.11

#### DIVIDEND:

Though there was marginal increase in Sales and other income of the Company, Your Company earned a net Profit after tax of Rs. 57.48 as against Net Losses of Rs. 117.95 suffered during previous year.

The Board of Directors after careful thinking and taking into consideration the Track record and keeping in mind Shareholder's Interest, recommend for consideration of the Shareholders at the Annual General Meeting payment of dividend for the year ended March 31, 2010 of Rs. 1.20 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 17th consecutive year of payment of Dividend by your company.

#### OPERATIONS:

Looking at the overall bad scenario, your Company did fare well during the year. Due to the same, your company could achieve a Total Income of Rs. 5643.50 lacs against Rs. 5466.50 lacs during the 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. Vinod Bhageria and Mr. Suresh Bhageria, 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, 2010.
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)

## ***Bhageria Dye Chem Ltd.***

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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 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, 2011 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 "S" which are self explanatory and, therefore, do not call for any further comments.

### **SECRETARIAL COMPLIANCE REPORT:**

As required under the amended provisions of the Companies Act, 1956, the Company is required to obtain Secretarial Compliance Certificate from a Practising Company Secretary. The same is enclosed and form part of this report.

### **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. O. P. Bubna , Mr. P. S. Dalvi and Dr. Shyam Agarwal 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 (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 Equity Shares on Bombay 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.  
May 29,2010.

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

Suresh Bhageria  
Chairman

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### **SECRETARIAL COMPLIANCE CERTIFICATE**

**AUTHORISED SHARE CAPITAL: RS. 8,00,00,000/-.**

**PAID UP SHARE CAPITAL: RS. 3,46,27,500/-.**

The Members,  
BHAGERIA DYE-CHEM LIMITED  
A/101, Virwani Industrial Estate,  
W. E. Highway, Goregaon [ East ],  
Mumbai - 400 063.

I have examined the registers, records, books and papers of M/s. BHAGERIA DYE-CHEM LIMITED [the Company] as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the year ended on MARCH 31, 2010. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company and its officers, I certify that in respect of the aforesaid financial year: -:

1. The Company has kept and maintained all registers as stated in ANNEXURE - 'A' to this Certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as required with the Registrar of Companies or other authorities as prescribed under the Act and the rules made hereunder wherever applicable AS PER ANNEXURE - 'B'.
3. The Company being a Limited Company, Comments not required.
4. The Board of Directors duly met 6 [SIX] times during the aforesaid financial year i.e. on 25/04/2009, 27/06/2009, 29/07/2009, 31/10/2009, 30/01/2010 and 19/02/2010 and in respect of each meeting proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 25/08/2009 to 29/08/2009 [both days inclusive] and necessary compliance of Section 154 of the Act has been made.
6. The Company held its Annual General Meeting during the year in time i.e. on 29/08/2009 and in respect of which proper notice was given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not given or advanced any amount as defined in Section 295 of the Companies Act, 1956.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has entered necessary particulars in the register maintained under Section 301 of the Companies Act, 1956.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approval from the Board of Directors, Members or Central Government.
12. The Company has issued duplicate Share Certificates during the financial year and necessary compliances of the Act were made.
13. The Company has:
  - i. delivered all the certificates on allotment of Shares in accordance with the provisions of the Companies Act, 1956.
  - ii. duly complied with the requirements of Section 217 of the Act.
  - iii. other clauses are not applicable.
14. The Board of Directors of the Company is duly constituted.
15. There was no appointment of Managing Director / Whole Time Director / Manager during the financial year.

## ***Bhageria Dye Chem Ltd.***

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16. The Company has not appointed any Sole Selling Agents during the financial year.
17. The Company was not required to obtain any approvals of the Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year. -
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any Equity Shares during the financial year under review.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any preference shares/debentures and hence the question of redemption of preference shares/debentures does not arise during the financial year under review.
22. There were no transactions necessitating the Company to keep in abeyance the rights of dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has complied with the provisions of Section 293 (1) (d) of the Act.
25. The Company has complied with the provisions of Section 372A of the Act.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from the one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the Object of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to Name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under review.
30. The Company has not altered its Articles of Association during the year under review.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment has imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company was regular in depositing Provident Fund dues with the Appropriate Authorities in time.

Sd/-

**[MAHESH SONI]**

**FCS : 3706 ; COP : 2324.**

**Place: Mumbai.**

**Date : May 29, 2010.**



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### **ANNEXURE - 'A' TO THE SECRETARIAL COMPLIANCE CERTIFICATE:**

Name of the Company: M/s. BHAGERIA DYE-CHEM LIMITED

#### **DETAILS OF REGISTERS MAINTAINED:**

Sr. No.	Section Number	Name of Register
1.	108	Share Transfer Register
2.	150	Register of Members
3.	193	Minutes of all meetings of Board of Directors
4.	193(1)	Minutes of General Meetings
5.	209	Books of Accounts.
6.	301	Register of Contracts.
7.	303	Register of Directors.
8.	307	Register of Directors Shareholdings.
9.	125/143	Register of Charge.

### **ANNEXURE - 'B' TO THE SECRETARIAL COMPLIANCE CERTIFICATE:**

Name of the Company: M/s. BHAGERIA DYE-CHEM LIMITED.

#### **DETAILS OF FORMS FILED WITH THE REGISTRAR OF COMPANIES:**

Sr. No.	Document/ Under Section	Filed on	Whether filed in time	Whether additional fee paid
1.	Form 20B Annual Return. U/s. 159.	09/09/2009.	Yes.	No.
2.	Form23AC/ACA Balance Sheet U/s. 210.	05/09/2009.	Yes.	No.
3.	Form 66 Sec. Comp. Cert. U/s. 383A.	05/09/2009.	Yes.	No.
4.	Form 32 U/s. 257/260.	18/03/2010.	Yes.	No.
5.	Form ! under IEPF Rules.	05/10/2009.	N/A.	N/A.

Sd/-

[MAHESH SONI]

FCS: 3706 ; COP: 2324.

Place: Mumbai.

Date : May 29, 2010.

# ***Bhageria Dye Chem Ltd.***

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## **ANNEXURE 'A' TO DIRECTORS' REPORT 2009-2010**

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 2009-2010.

### **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(CIF Value of Imports)

Rs. 919.36 Lacs

c) Foreign Exchange Earned

Rs. 3576.28 Lacs

d) Foreign Exchange Outgo - Travelling Expenses

Rs. 1.28 Lacs

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

Place : Mumbai  
Date : May 29, 2010.

**Suresh Bhageria**  
Chairman

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### Form – A

Form for disclosure of particulars with respect to conservation energy: 2009-10:

<b>Particular</b>	<b>2009-10</b>	<b>2008-09</b>
A. Power and Fuel Consumption		
1. Electricity		
a. Purchases		
Units (M.kwh)	2492468	1907505
Total Amount (Rs. In Lakhs)	136.15	102.90
Average Rate per unit (Rs./kwh)	5.46	5.39
b. Own Consumption		
Through Diesel Generator		
Units (M. kwh)	44166	38860
Units Per liters of Diesel	2.23	2.99
Average Cost per unit	13.90	12.04
2. Coal		
Quantity (m.t.)	926.200	752.900
Total cost (in lakhs)	32.79	31.25
Average cost per tone	3547.93	4147.96

**Note :** The Amount of Electricity and consumption of unit is on average basis.

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## **ANNEXURE - 'B' TO DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE**

### **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

Bhageria Dye Chem Limited ("the Company") is committed to adhere to the corporate governance code as prescribed by the SEBI and Stock Exchange and has accordingly implemented various aspects of the code.

To implement the Corporate Governance practice, Bhageria Dye Chem Ltd., has a well defined policy consisting of the following:

- Ensure that the Quality and frequency of Financial and Managerial Information's, which the Management shares with the Board, fully placed before the Board Members in control of the Company's affairs.
- Ensure that the Board exercises its Fiduciary responsibilities towards Shareowners and Creditors, thereby ensuring high accountability.
- Ensure that the extent to which the information is disclosed to present and potential investors is maximized.
- Ensure that the decision-making is transparent and documentary evidence is traceable through the minutes of the meetings of the Board/Committees thereof.
- Ensure that the Board, the Management, the Employees and all the other stakeholders are fully committed to maximizing long-term value to the shareowners and to the Company.
- Ensure that the core values of the Company are protected.

### **BOARD OF DIRECTORS:**

The Company has Five Directors. Two of the Directors are Executive Directors & the remaining Three are Non Executive Directors. The Executive Directors consists Executive Chairman and other one Managing Director. The Three Non Executive Directors are Independent Directors and professionals with expertise and experience in general corporate management, finance and other allied fields.

As per clause 49 of the Listing Agreement, if the Chairman is the Executive Chairman at least half of the board should consist of Non Executive Directors & half of the Board shall comprise of Independent Directors. In case of Bhageria Dye Chem Ltd., More than half of the Directors are Non Executive. Three out of the Five Directors are Independent Directors and Non Executive which is very much in Compliance of the Listing Agreement.

Composition of the Board of Directors has a healthy mix of Executive & Non Executive Directors & ensures the desired level of independence and functioning & decision making.

The details of composition of the Board, category, number of other Directorships and other Committee Memberships are as follows:

During the financial year ended March 31, 2010, 6 [SIX] Board meetings were held on 25/04/2009, 27/06/2009, 29/07/2009, 31/10/2009, 30/01/2010 and 19/02/2010.

The maximum time gap between any two meetings is much less compared to the requirement of not more than four month in clause 49. The dates and timings of the meetings were decided well in advance.

The details of composition of the Board, category, attendance of Directors at Board Meetings during the financial year 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 31/3/10		Outside Committee Position Held As on 31/3/10	
				Public	Private	Mem.	Chmn.
Mr. Suresh Bhageria	Chairman	6	YES	--	4	--	--
Mr. Vinod Bhageria	MD	6	YES	--	3	--	--
Mr. O. P. Bubna	NED	4	YES	--	--	--	--
Dr. Shyam Agarwal	NED	1	YES	--	--	--	--
Mr. P. S. Dalvi	NED	4	YES	--	--	--	--
Mr. S P Tulsian	NED	4	YES	--	7	--	--

MD stands for Managing Director.

NED stands for Non Executive Director.

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## *21st Annual Report 2009-10*

### **INFORMATION SUPPLIED TO THE BOARD**

The Board has complete access to all information with the Company & to any of the employee of the Company. The Board is provided with all the relevant information on the important matters affecting the working of the Company as well as the related details required deliberations by the members of the board.

Among others, this includes:

- Annual operating plans, capital budgets and updates.
- quarterly results of the Company and its operating divisions.
- minutes of meeting of audit committee and other committees.
- information on recruitment and remuneration of senior officers just below the board level.
- general notices of interests.
- Materially important show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents or dangerous occurrences.
- details of any joint venture of collaboration agreement.
- sale of material nature of investments, subsidiaries, assets which is not in the normal course of business.
- foreign exchange exposure and the steps taken by the management to limit the risk of adverse exchange rate movement.
- Any materially significant effluent or pollution problem.
- Any issue which involves possible public or product liability claims of a substantial nature.
- Significant development in the human resource and industrial relations fronts.
- Legal compliances reporting system.

The Board is routinely presented with all information under the above heads whenever applicable and materially significant. As mandated by the revised Clause 49, the independent Directors on the board of the Company.

- Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the company, its promoters, its Directors, its senior management or its holding company, its subsidiaries and associates that may affect independence of the director.
- Are not related to promoters or persons occupying management positions at the board level or at one level below the board.
- Have not been an executive of the company in the immediately preceding three financial years.
- Are not partners of the firm or executives of the company or were not partners of the firm or executives of the company during the preceding three years.
- Statutory audit firm or the internal audit firm that is associated with the Company.
- Legal firm(s) and consulting firm(s) that have a material association with the Company.
- Are not material suppliers, services providers or customers or lessors or lessees of the company, which may affect independence of the Director.
- Are not substantial Shareholders of the Company i.e. do not own two percent or more of the block of voting shares.

The Board is routinely presented with all information under the above heads whenever applicable and materially significant.

### **COMMITTEES OF DIRECTORS:**

To focus effectively on the issues and ensure expedient resolution of the diverse matters, the Board has constituted a set of Committees of independent Directors with specific terms of reference / scope. The committee operates as empowered agents of the board. The inputs and details required for the decision is provided by the operating managers. The Minutes of the Meeting of the all Committees of the board are placed before the board for discussions / noting.

Details of the committee of the board and other related information are as follows:

### **COMMITTEES OF DIRECTORS:**

#### **a) Audit Committee:**

The Company has a qualified and independent Audit Committee comprising of 3 Non-Executive Directors. The broad terms of reference of the Audit Committee are in consonance with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

## ***Bhageria Dye Chem Ltd.***

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Brief description of terms of reference of the Audit Committee:

- Review of the financial reporting process and disclosure of its financial information.
- Review with the Management, the Annual/Quarterly financial statements before submission to the Board for approval.
- Review with the Management, the performance of Statutory Auditors, Internal Auditors and the adequacy of internal control systems.
- Review the Company's Accounting Policies.
- Look into reasons for substantial defaults, if any.
- Recommend the appointment, re-appointment and replacement or removal of Statutory Auditors/Internal Auditors and fixation of their Fee.
- Approval of payment to Statutory Auditors for any other services rendered by them.
- Other functions as required by applicable Regulations.

All the members have financial and accounting knowledge.

Head of the Finance and Accounts Department, representative of the Statutory Auditors and other executives as are considered necessary, attend meetings of the Audit Committee.

The Committee met 5 times meeting during the year on 25/04/2009, 27/06/2009, 29/07/2009, 31/10/2009 and 31/01/2010.

Attendance record at the meetings of the Audit Committee of Directors during financial year 2009-10:

The names of members of committee and their attendance are as follows:

Name of the Members	Status	No. of Meetings Attended
MR. S. P. TULSIAN	*CHAIRMAN	5
MR. O. P. BUBNA	**CHAIRMAN	5
MR. P. S. DALVI	MEMBER	5
DR. SHYAM AGARWAL	MEMBER	5

\* Ceased as Director w.e.f. February 19, 2010.

\*\* Appointed as Chairman of the Committee w.e.f. April 24, 2010.

The Chairman of the Committee was present at the Annual General Meeting held on 29/08/2009 to attend the shareholder's queries.

### **SHAREHOLDERS' & INVESTORS' GRIEVANCE COMMITTEE:**

The Company has constituted a Shareholders' & Investors Grievance Committee at board level to strengthen the investor relations and to inter-alia look into issues relating to Shareholder Grievances pertaining to transfer of shares, non receipt of declared dividends, non receipt of Annual Report, issues concerning de-materialisation etc.

Mr. Amit Pareek, Accounts Officer, is designated as the Compliance Officer.

The Company has designated the e-mail ID info@bhageriagroup.com exclusively for the purpose of registering complaint by investors electronically. This e-mail ID is displayed on the Company's website i.e. www.bhageriagroup.com

The following table shows the nature of complaints received from the shareholders during the year 2009-10.

The Shareholders' Committee met 5 times during the year ended March 31, 2010.

The composition of the Shareholders' Committee and details of the meetings attended by the Directors are given below:

Name of the Members	Status	No. of Meetings Attended
MR. S. P. TULSIAN	*CHAIRMAN	5
MR. O. P. BUBNA	**CHAIRMAN	5
MR. P. S. DALVI	MEMBER	5
DR. SHYAM AGARWAL	MEMBER	5

\* Ceased as Director w.e.f. February 19, 2010.

\*\* Appointed as Chairman of the Committee w.e.f. April 24, 2010.

Mr. Amit Pareek, is the Compliance Officer.

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The following table shows the nature of complaints received from the shareholders during the year 2009-10.

Nature of complaints	No. of complaints received during the year 2009 – 10
Non receipt of Dividend Warrant	1
Non receipt of Annual Report	1
Non receipt of Share Certificate	-

There were no complaints pending as on 31st March, 2010.

### REMUNERATION:

The Company has constituted Remuneration Committee. All matters relating to review and approval of compensation payable to the Executive Directors are considered by the Remuneration Committee and on recommendation of the Remuneration Committee, the Board decides and the same are within the overall limits approved by the Members.

The Company pays remuneration to its Managing Director and Chairman by way of salary, perquisites and allowances. The remuneration has been paid as approved by the Board, in accordance with the approval of the Shareholders and within the overall ceiling prescribed by Section 198 and 309 of the Companies Act.

Given below are the details of remuneration paid to Directors during the financial year 2009-10:

Director	Sitting Fees Rs.	Salary & allowances Rs.	Perquisites Rs.
Mr. Suresh Bhageria	---	1053000	---
Mr. Vinod Bhageria	---	1053000	---
Mr. S. P. Tusian	10000	---	---
Mr. O. P. Bubna	10000	---	---
Dr. Shyam Agarwal	2500	---	---
Mr. P. S. Dalvi	10000	---	---

Company do not have any stock option plans and hence such instrument does not fall part of the remuneration package payable to any Executive Director and / or Non Executive Director.

During the period under review, none of the directors were paid any performance linked incentive.

### Shareholding of Non Executive Directors

The shareholding in the Company by the Non Executive Directors in their own name is NIL

### CODE OF CONDUCT

The Company has adopted a Code of Conduct for the Directors and senior management of the Company. The members of the Board and senior management of the Company have submitted their affirmation on compliance with the code for the effective period. The Declaration by the Chairman and Managing Director to that effect forms part of this Report.

### MANAGEMENT DISCUSSIONS & ANALYSIS

Management discussion and analysis report is given in a separate section forming part of the Directors' Report in this annual report.

### STEPS FOR PREVENTION OF INSIDE TRADING

In compliance of the SEBI (Prevention of inside Trading) Regulations as amended in 2002, the Company has issued comprehensive guidelines advising and cautioning management staff and other relevant business associates on the procedure to be followed while dealing in equity shares of the Company, and disclosure requirements in this regard. Company believes that "The Code of Internal Procedure and Conduct" and 'The Code of Corporate Disclosures Policies' framed by it in this regard will help in ensuring compliance of the amended SEBI regulations.

### DISCLOSURES:

The necessary disclosures regarding the transactions entered into with the related parties are given in the notes to the accounts. There were no transactions of the material value with related parties viz., Promoters, Directors, or the Management or Relatives having any potential conflict with the interest of the company.

# ***Bhageria Dye Chem Ltd.***

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## **NON-COMPLIANCES:**

There were no instances of non compliance on any matter related to the capital market during the last three years. No penalties or strictures were imposed on the company by any Stock Exchange or SEBI or any other statutory authority on any matter related to capital market during last three years.

## **DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENT AND ADOPTION OF NON MANDATORY REQUIREMENT.**

The Company has complied with all mandatory requirement of Clause 49 of the Listing Agreement with the Stock Exchange and has implemented the following non mandatory requirements:

### **1. Remuneration Committee:**

The Company has a Remuneration Committee to review and approve the salary, commission, perks and other employment conditions for the directors.

### **2. Audit Qualification:**

It is always the companies endeavour to present unqualified financial statements. There are no audit qualifications in the company's financial statement for the year under review.

### **3. Training of Board Members:**

Directors are fully briefed about all business related matters, risks assessment market conditions of the product manufactured by the company, competition and new initiative proposed by the company.

## **CEO / CFO CERTIFICATION:**

As required under Clause 49 of the Listing Agreement a Certificate duly signed by Mr. Suresh Bhageria, Chairman has been obtained. The certificate is annexed to this report.

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE:**

The Company has obtained a certificate from Auditors of the company regarding compliance with the provisions relating to the corporate governance laid down in clause 49 of the listing agreement with the Stock Exchanges. This certificate is annexed to the report.

## **DECLARATION:**

I, Suresh Bhageria, Chairman of Bhageria Dye Chem Limited hereby affirm and declare, to the best of my knowledge and belief, and on behalf of the Board of Directors of the Company and senior management personnel, that:

The Board of Directors has laid down a code of conduct for all Board members and senior management of the Company ['the code of conduct'];

The code of conduct has been complied with.

## **GENERAL SHAREHOLDERS INFORMATION:**

ANNUAL GENERAL MEETING	: 21st Annual General Meeting.
DAY & DATE	: Saturday, August 14, 2010.
TIME	: 11 A. M.
VENUE	: Lalit Restaurant Hall, Near Rly. Station, Goregaon (West), Mumbai 400 062.

## **FINANCIAL CALENDAR:**

* Financial reporting for the quarter ended June 30, 2010	: End of July, 2010.
* Financial reporting for the quarter ended Sept.30, 2010	: End of Oct., 2010.
* Financial reporting for the quarter ended Dec. 31, 2010	: End of Jan., 2011.
* Financial reporting for the Year ended March 31, 2011	: Audited

Results by end of May, 2011 tentatively.

**DATE OF BOOK CLOSURE** : 10/08/2010 TO 13/08/2010 [Both days inclusive].

**DIVIDEND PAYMENT DATE** : 13/08/2010.



## **21st Annual Report 2009-10**

### **PAYMENT OF DIVIDEND:**

Dividend will be paid by "Account Payee" / Non negotiable instrument or through Electronic Clearing Service (ECS) as notified by the SEBI through Stock Exchanges. The company had already written to all the shareholders setting out in details the procedure to be followed for availing this facility. In view of the advantage of receiving dividend through ECS shareholders are requested to opt for this mode. The declared dividend is usually paid by the company within 3 working days.

### **SHARE TRANSFER SYSTEM:**

Share Transfer Requests are received at the registered office of the Company's well as directly at RTAs office. RTA does the verification and processing of documents. In order to comply with the requirement of SEBI circular Nos. SMD/POLICY/CIR-10/02 dated May 7, 2002 to effect transfer of shares within one month, the RTA has been authorised to process, approve and effect transfer of shares on behalf of the Company at fortnightly intervals. The share certificates duly endorsed for transfer are returned to shareholders within stipulated time of 30 days.

### **TRANSFER UNDER PHYSICAL AND DEMAT MODE:**

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  
Email: sharexindia@vsnl.com

### **COMPLIANCE OFFICER:**

Mr. Amit Pareek

### **ADDRESS FOR CORRESPONDENCE:**

BHAGERIA DYE-CHEM LIMITED  
A-101, Virwani Ind. Estate, Western Express Highway,  
Goregaon [ East ], Mumbai – 400 063.  
E-mail : info@bhageriagroup.com  
Telephone No. 40436666

### **LISTING:**

The Bombay Stock Exchange Limited, Mumbai.

### **STOCK CODE OF THE COMPANY:**

The Bombay Stock Exchange Limited, Mumbai  
Scrip Name: BHAGERIA DYE-CHEM LIMITED  
Scrip Code: 530803.  
Electronic Mode: INE354C01019.

**DEPOSITORY CONNECTIVITY:** NSDL and CDSL.

**ISIN NO. FOR THE COMPANY'S SECURITY:** INE354C01019.

### **DEMATERIALISATION OF SHARES:**

As on March 31, 2010, 30,87,669 Shares representing 89.17% of total Equity Shares were held in dematerialised form with NSDL and CDSL.

Member can hold shares in electronic forms and trade the same in Depository System. However, they may hold the same in physical form also.

### **GENERAL BODY MEETINGS:**

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
31.03.2007	01.09.2007	11 A.M.	Lalit Restaurant Hall, Goregaon [W], Mumbai - 400 062.
31.03.2008	23.08.2008	11 A.M.	D. G. Khetan International School, Krishna Realities, Behind Sunder Nagar, Off. S. V. Road & Link Road, Malad [West], Mumbai 400 064.
31.03.2009	29.08.2009	11 A.M.	Lalit Restaurant Hall, Goregaon [W], Mumbai - 400 062.

## ***Bhageria Dye Chem Ltd.***

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All the matters as set out in the respective notices were passed by the Shareholders. No special resolution was required to be put through postal ballot last year.

### **DISCLOSURES:**

1. There were no transactions of material nature other than reported under "Related Party Disclosures" that have been entered into by the company with the promoters, directors, their relatives and the management and in any company in which they are interested, that may have potential conflict with the interest of the company.
2. Details on the use of proceeds from public issues, right issues, preferential issues etc. No funds have been raised through issue of equity or debt in the form of public or rights or preferential issues during the year under review.
3. Details of non-compliances, penalties etc. imposed on the Company by SEBI or Stock Exchange or any other statutory authority on any matter related to capital market, during the last three years:

The Company has complied with the requirements of the Stock Exchange, SEBI, and other Statutory Authorities on all matters relating to Capital Markets during the last three years.

### **MEANS OF COMMUNICATION:**

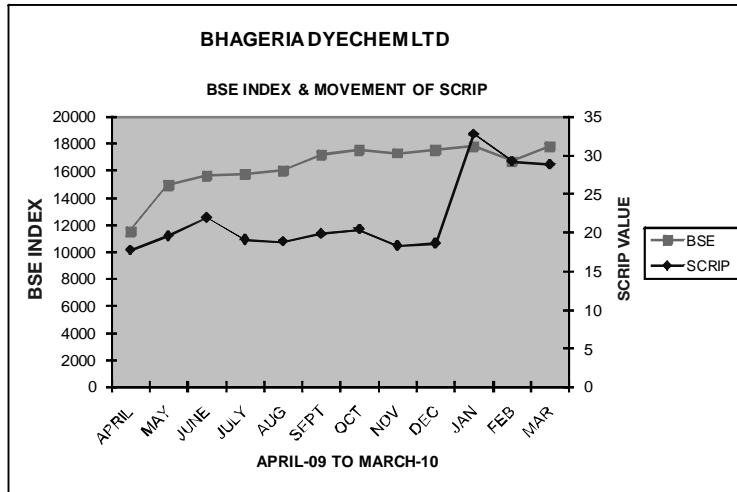
1. Quarterly results are published in prominent daily newspapers viz., Business Standard & Lakshadeep.
2. All items required to be covered in the Management Discussion and Analysis has been included in the Management Discussion and Analysis as attached to this Report.
3. The Company has its own website and all the vital information relating to the Company and its products are displayed on the web site. Address of the website is [www.bhageriagroup.com](http://www.bhageriagroup.com).

### **STOCK PRICE DATA : [TAKEN FROM BSE SITE].**

Stock Market price data for the year

Month	Company's Share	
	High (Rs.)	Low (Rs.)
April, 2009	17.65	14.01
May, 2009	19.50	15.35
June, 2009	21.90	17.50
July, 2009	19.05	14.80
August, 2009	18.80	16.00
Sept., 2009	19.80	16.05
October, 2009	20.40	16.25
Nov., 2009	18.25	16.00
Dec., 2009	18.55	16.20
January, 2010	32.75	19.40
Feb., 2010	29.20	24.10
March, 2010	28.80	23.40

## 21st Annual Report 2009-10



#### SHAREHOLDING PATTERN AS ON MARCH 31, 2010:

Category	No. Of shares held	% of shareholding
Promoters	18,05,299	52.13
Private Bodies Corporate	1,33,158	3.85
Indian Public	13,52,288	39.05
NRI/OCBs	1,72,005	4.97
<b>Total</b>	<b>34,62,750</b>	<b>100.00</b>

#### DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2010:

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
Upto 500	2797	4,10,245	11.86
500-1000	220	1,91,619	5.53
1001-2000	86	1,39,669	4.03
2001-3000	47	1,22,913	3.55
3001-4000	26	92,276	2.66
4001-5000	18	84,273	2.43
5001-10000	18	1,30,296	3.76
10001 & above	33	22,91,459	66.18
<b>Total</b>	<b>3245</b>	<b>34,62,750</b>	<b>100.00</b>

#### PLANT LOCATIONS:

Plot No. 6310, IV Phase, GIDC, Vapi - 396 195, Dist. Valsad Gujarat.

#### COMPLIANCE:

A certificate has been obtained from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance and is attached to this report.

Registered Office :  
A/101, Virwani Industrial Estate,  
W. E. Highway,  
Goregaon [East],

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

Mumbai - 400 063.  
May 29, 2010.

**Suresh Bhageria**  
Chairman

## ***Bhageria Dye Chem Ltd.***

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### **CEO / CFO CERTIFICATION:**

The Board of Directors  
Bhageria Dye Chem Limited,  
Mumbai

#### **Re: Financial Statements for the year 2009 - 10 – Certification by CEO**

I, Suresh Bhageria, Chairman of Bhageria Dye Chem Ltd., hereby certify that:

- (a) I have reviewed Financial Statements and the Cash Flow Statement for the financial year ended March 31,2010 and to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) I am responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the Auditors and the Audit Committee that:
  - i. there have been no significant changes in internal control over financial reporting during the year;
  - ii. there have been no significant changes in accounting policies during the year; and
  - iii. there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For BHAGERIA DYE-CHEM LIMITED  
**Suresh Bhageria**  
Chairman

Place: Mumbai  
Date: May 29, 2010

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## *21st Annual Report 2009-10*

### **AUDITORS' CERTIFICATE**

To  
The Members,  
**BHAGERIA DYE-CHEM LIMITED,**

We have examined the compliance of conditions of Corporate Governance by BHAGERIA DYE-CHEM LIMITED, for the year ended on March 31, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR SARDA & PAREEK**  
Chartered Accountants

**Gaurav Sarda**  
Partner  
M. No. 110208

**Mumbai.**  
**May 29, 2010**

# ***Bhageria Dye Chem Ltd.***

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## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS OVERVIEW:**

The main business of the Company is manufacturing and sale of Chemicals, Dyes and Dyes Intermediates required for Dye manufacturers. The company is also engaged in merchant export of related items.

### **OPPORTUNITIES, THREATS, RISKS, CONCERNS AND OUTLOOK:**

The year under review experienced a global slow down in economic growth, which had its impact in India too. Even after that sale is increased by 3.24%.

The general outlook with respect to this Industry in India is of caution under immense competitive pressure. However the intrinsic strength of your company has helped us to effectively overcome such pressure and the sales therefore should register a modest but definite growth in the years to come.

### **EXPORTS:**

The main thrust of the Company is on export, which constitute around 66.09% of total sales of the Company. The Company is "Recognized Export House".

The Company is fast consolidating its resources to build a market presence in the international arena. The results are reflected in an exponential growth rate in the last two years as also continuing in the current year.

### **PERFORMANCE OF THE COMPANY:**

The challenges described above did restrict the sales growth to a modest rate, but the company earned a net profit after tax of Rs. 57.47 lacs as compared to net loss of Rs. 117.95 lacs during the previous financial year. The Company is working towards improvement in its working and profitability.

### **HUMAN RESOURCES:**

Development of skills and updating of knowledge are essential for continues growth of any organization. Your Company considers human resources as a key asset. Therefore, your Company not only implemented many in house training programs but also sent selected employees to suitable outside programs to keep them abreast of the latest developments in the industry and economy.

To establish direct link between performance and reward, your Company has been steadily increasing the weight age of actual performance in remuneration packages. The Company has, under its employment 23 officers and workmen.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Internal Control Systems are designed to ensure the reliability of financial and other record and accountability of executive action to the management's authorisation. The Statutory Auditors have evaluated the system of internal controls of the Company and have reported that the same are adequate and commensurate with the size of the Company and nature of its business.

The internal control systems are reviewed by the top Management and by the Audit Committee of the Board and proper follow up action is ensured wherever required.

### **FINANCIAL PERFORMANCE:**

The highlights of the financial performance of the Company for the year under review are as under:

- a. The Net Profit has increased to Rs. 57.47 lacs as compared to net Loss of Rs. 117.95 lacs.
- b. The Company spent Rs. 24,46,924/- on Capital Expenditure during the year.
- c. The Investment in Working Capital was Rs. 1733.04 lacs.
- d. The Term Borrowings increased by Rs. 259.10 lacs.
- e. Your company is paying dividend continuously since 1993-94.

### **CAUTIONARY STATEMENT:**

Statement in the Management Discussion and Analysis describing the Company's objectives, expectations, estimates or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in Government regulations, tax laws, economic developments within the country and other incidental factors. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis, of any subsequent developments, events or information.

Registered Office:

A/101, Virwani Industrial Estate,  
W. E. Highway,  
Goregaon [East],  
Mumbai - 400 063.  
**May 29, 2010.**

For and on behalf of the Board

**For BHAGERIA DYE-CHEM LIMITED**

**Suresh Bhageria**  
Chairman

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## ***21st Annual Report 2009-10***

### **AUDITORS' REPORT**

To the Members of BHAGERIA DYE CHEM LIMITED

1. We have audited the attached Balance Sheet of BHAGERIA DYE-CHEM LIMITED, (the "Company") as at 31st March 2010, Profit & Loss Account and the Cash Flow statement for the year ended on that date annexed thereto, (hereinafter collectively referred to as "financial statements"). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003 (the "order") as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (The "Act"), we enclose in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) in our opinion, proper books as required by law have been kept by the company so far as appears from our examination of those books;
  - (iii) the financial statements dealt with by this report are in agreement with the books of account;
  - (iv) in our opinion, Financial Statements dealt with by this report, comply with the mandatory accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (v) on the basis of written representations received from the directors, we report that none of the directors are disqualified as on 31st March 2010, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and notes thereon, give the information required by the Act, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) in case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
    - (b) in case of the Profit and Loss Account, of the Profit of the company for the year ended on that date; and
    - (c) In case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**FOR SARDA & PAREEK.**  
CHARTERED ACCOUNTANTS

**GAURAV SARDA**  
Partner  
Membership No. 110208  
FRN NO: 109262 W

PLACE : MUMBAI  
DATE : May 29, 2010

# ***Bhageria Dye Chem Ltd.***

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## **ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in Paragraph 3 of our report of even date)

1. In respect of fixed assets:
  - a. The Company has maintained computerized records showing particulars including quantitative details & situation of fixed assets; however the same is not updated.
  - b. As explained to us, the fixed assets have been physically verified by the management during the year in accordance with a program of verification, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
  - c. In our opinion, the company has not disposed off substantial part of fixed assets during the year, which has bearing on the going concern assumption.
2. In respect of its inventories:
  - a. The management, during the year under review, has conducted physical verification of inventory at reasonable intervals except materials lying with third parties, where confirmations are obtained. The frequency of such verification is reasonable in relation to the size of the company, nature of its business and nature of inventory.
  - b. In our opinion and according to information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of company and nature of its business.
  - c. The Company is maintaining proper records of inventory as required in the normal course of business. There was no material discrepancies noticed on physical verification as compared to book records.
3. In respect of loans, secured or unsecured, granted or taken by the company to/ from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956:
  - a. The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Act; and hence clause (b) ,(c) and (d) are not applicable.
  - b. The Company has not taken any loans secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clause 4(III) (f) to (g) of the said order is not applicable.
4. In respect of internal control:
  - a. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory and fixed assets and for sale of goods and services. We have not noted any continuing failure to correct major weaknesses in the internal controls.
5. In respect of transaction covered under Section 301 of the companies Act, 1956:
  - a. In our opinion, according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that needed to be entered into the register maintained under Section 301 of the Companies Act 1956 have been so entered.
  - b. In our opinion, according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered into the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 lacs in respect of any party during the year have been made at price which are reasonable having regards to prevailing market price at the relevant time.
6. In our opinion & according to the information and explanations given to us, the company has not accepted deposits from public under the provision of section 58A and 58AA or any other relevant provision of the Act.
7. In our opinion, the company has in-house internal audit system commensurate with its size and nature of business.
8. The Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the nature of industry in which the Company is doing business.
9. In respect of Statutory Dues:
  - a. According to the records of the company, undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Cess and any other statutory dues have been generally regularly deposited with the appropriate authorities.



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## **21st Annual Report 2009-10**

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According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2010, for a period of more than six months from the date of becoming payable.

- b. The Disputed statutory Dues aggregating to Rs.91.86 lacs, out of which Rs.53.79 lacs have been deposited on account of matters pending before appropriate authorities are as under:

Sr. No.	Name of Statute	Nature of Dues	Forum where dispute Pending	Amount (IN Lacs)
1.	Income Tax	Interest on Income Tax	Income Tax	18.92
2.	Income Tax	Assessment Dues	Income Tax Appellate Tribunal	73.04

10. There are no accumulated losses of the Company at the end of the financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. In our opinion and according to the information and explanations given to us, no loans or advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities
13. In our opinion, the company is not a Chit fund or a nidhi/ mutual benefit fund/society. Therefore, clause 4(Xiii) of the Companies order 2003 is not applicable to the company.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. In our opinion and according to the information and explanations given to us, no new term loan has been taken by the company during the year. However the term loan taken in the previous years has been applied for the purpose for which they were obtained.
17. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanation given to us, we report that short term funds have not been utilized for long term investments.
18. During the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the companies Act, 1956.
19. In our opinion and according to the information and explanations given to us, the Company has not issued any debentures during the year under review.
20. The Company did not raise money through public issues during the year under review.
21. According to the information and explanations given to us & to the best of our knowledge or belief, no material fraud on or by the Company has been noticed or reported during the course of our audit

**For SARDA & PAREEK.**  
CHARTERED ACCOUNTANTS

**Gaurav Sarda**  
Partner  
Membership No. 110208  
FRN No: 109262 W

PLACE : MUMBAI  
DATE : May 29, 2010

## ***Bhageria Dye Chem Ltd.***

### BALANCE SHEET AS AT 31ST MARCH, 2010

	SCHEDULE	AS AT		AS AT	
		31st MARCH, 2010	31st MARCH, 2009	31st MARCH, 2009	31st MARCH, 2009
		Rs.	Rs.	Rs.	Rs.
<b>I. SOURCES OF FUNDS</b>					
<b>SHAREHOLDER'S FUNDS</b>					
SHARE CAPITAL	A	34,627,500		34,627,500	
RESERVES & SURPLUS	B	<u>60,800,611</u>	95,428,111	<u>54,187,713</u>	88,815,213
<b>LOAN FUNDS</b>					
SECURED LOANS	C	111,341,428		85,430,994	
UNSECURED LOANS		-	111,341,428	-	85,430,994
<b>DEFERRED TAX LIABILITIES</b>			<u>3,271,639</u>		<u>519,371</u>
			<u>210,041,179</u>		<u>174,765,578</u>
<b>II. APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>	D				
GROSS BLOCK		127,850,524		136,257,169	
LESS : DEPRECIATION		<u>86,252,594</u>		<u>89,442,463</u>	
NET BLOCK			41,597,930		46,814,706
<b>INVESTMENTS</b>	E		-		493650
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>					
INVENTORIES	F	35,184,476		20,595,404	
SUNDRY DEBTORS	G	185,383,490		80,186,696	
CASH & BANK BALANCE	H	27,956,804		69,634,947	
LOANS & ADVANCES	I	<u>50,610,564</u>		<u>46,176,364</u>	
		299,135,335		216,593,411	
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>	J				
CURRENT LIABILITIES		125,830,593		86,705,442	
PROVISIONS		<u>4,861,493</u>		<u>2,430,747</u>	
		130,692,086		89,136,189	
<b>NET CURRENT ASSETS</b>			168,443,249		127,457,222
			<u>210,041,179</u>		<u>174,765,578</u>

The schedules referred to above form an integral part of Balance Sheet

**Significant Accounting Policies & Notes to the Accounts**

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As per our report attached  
FOR SARDA & PAREEK  
Chartered Accountants

Gaurav Sardar  
Partner  
(Membership No. 110208)

For and on behalf of the board

Suresh Bhageria  
Chairman

Vinod Bhageria  
Managing Director

O.P. BUBNA  
Director

PLACE : Mumbai  
DATE : 29th May 2010

## 21st Annual Report 2009-10

### PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	SCHEDULE	FOR THE YEAR ENDED 31.03.2010 Rs.	FOR THE YEAR ENDED 31.03.2009 Rs.
<b>INCOME</b>			
SALES	K	564,350,447	546,649,984
INCREASE / (DECREASE) IN STOCK	L	7,387,753	(10,013,559)
<b>TOTAL</b>		<b>571,738,200</b>	<b>536,636,425</b>
<b>EXPENDITURE</b>			
MATERIAL CONSUMED	M	462,164,332	467,947,135
PAYMENT & BENEFITS TO EMPLOYEES	N	4,678,546	4,771,532
MANUFACTURING EXPENSES	O	34,557,666	29,517,910
ADMINISTRATIVE EXPENSES	P	9,878,087	9,151,597
SELLING & DISTRIBUTION EXPENSES	Q	30,689,293	22,591,787
FINANCE CHARGES	R	12,395,769	11,383,687
DEPRECIATION	D	7,274,508	8,417,012
<b>TOTAL</b>		<b>561,638,202</b>	<b>553,780,659</b>
<b>PROFIT /(LOSS) BEFORE TAXATION</b>		<b>10,099,998</b>	<b>(17,144,235)</b>
PROVISION FOR			
- CURRENT TAX		1,600,000	0
- FBT		0	275,859
- DEFERRED TAX		2,752,268	(5,624,559)
<b>PROFIT /(LOSS) AFTER TAXATION</b>		<b>5,747,730</b>	<b>(11,795,535)</b>
- TAX ADJUSTMENT OF EARLIER YEAR		-	559,642
EXTRAORDINARY ITEMS (GRANTS RECEIVED UNDER MONTREAL PROTOCOL)		5,726,661	-
PROFIT /(LOSS) BROUGHT FORWARD FROM PREVIOUS YEAR		111,213	13,562,612
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>11,585,604</b>	<b>1,207,435</b>
<b>APPROPRIATION:</b>			
TRANSFER TO GENERAL RESERVE		500,000	(13,345,524)
TRANSFER TO CAPITAL RESERVE		5,726,661	
PROPOSED DIVIDEND		4,155,300	2,077,650
CORPORATE TAX ON PROPOSED DIVIDEND		706,193	353,097
BALANCE CARRIED OVER TO BALANCE SHEET		497,450	111,213
<b>BASIC &amp; DILUTED EARNING PER SHARE OF Rs. 10/= EACH.</b>		<b>1.66</b>	<b>(3.41)</b>

The schedules referred to above form an integral part of Balance Sheet  
**Significant Accounting Policies &**  
**Notes to the Accounts**

S

As per our report attached  
**FOR SARDA & PAREEK**  
Chartered Accountants

Gaurav Sarada  
Partner  
(Membership No. 110208)

For and on behalf of the board

Suresh Bhageria  
Chairman

Vinod Bhageria  
Managing Director

O.P. BUBNA  
Director

PLACE : Mumbai  
DATE : 29th May 2010

## ***Bhageria Dye Chem Ltd.***

**SCHEDULES ANNEXED TO & FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE :**

	<b>AS AT 31.03.2010</b>		<b>AS AT 31.03.2009</b>
	<b>Rs.</b>		<b>Rs.</b>
<b>SCHEDULE 'A'</b>			
<b>SHARE CAPITAL</b>			
Authorised :			
80,00,000 (80,00,000) Equity Shares of Rs. 10/- each	80,000,000		80,000,000
Issued, Subscribed & paid up			
34,62,750 (34,62,750) equity shares	34,627,500		34,627,500
of Rs. 10/- each fully paid up in cash.			
	<b>34,627,500</b>		<b>34,627,500</b>
<b>SCHEDULE 'B'</b>			
<b>RESERVES &amp; SURPLUS</b>			
Capital Reserve			
As per last balance sheet	2,415,500		2,415,500
Add: Transfer from P & L a/c.	5,726,661	8,142,161	0
Share Premium Account		19,161,000	19,161,000
General Reserve			
As per last balance sheet	32,500,000		33,834,524
Add: Transfer from P & L a/c.	500,000	33,000,000	(1,334,524)
Profit & Loss Account.		497,450	111,213
	<b>60,800,611</b>		<b>54,187,713</b>
<b>SCHEDULE 'C'</b>			
<b>SECURED LOANS</b>			
TERM LOAN FROM BANKS	183,801		865,942
(payable within 12 months Rs. 1,83,801 /-(P.Y. Rs. 7,17,800/-)			
(fully secured by hypothecation of car)			
WORKING CAPITAL LOAN FROM BANKS			
a) Packing Credit	14,812,248		24,442,374
b) Bill Discounting	96,345,379		60,122,678
Secured by :			
i) Demand Promisary Note by the Company & against			
agreement of hypothecation of goods covered under Bills.			
ii) First charge on the Fixed Assets of the company Present & Future.			
iii) Personal Gaurantee of some of the Directors of the company.			
	<b>111,341,428</b>		<b>85,430,994</b>

## 21st Annual Report 2009-10

### SCHEDULE 'D' : FIXED ASSETS

(Rupees)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	Rate Of Dep.	Cost Up To 31.03.2009	Cost Of Addition	Cost Of Deduction	Cost Up To 31.03.2010	Up To 31.03.2009	For The Year	Adjustment During The Year	Up To 31.03.2010	As At 31.03.2010	As At 31.03.2009
Land (Lease Hold)	-	1,316,339	0	0	1,316,339	214,517	13,716	0	228,233	1,088,106	1,101,822
Residential Building	5%	143,750	0	0	143,750	45,038	4,936	0	49,974	93,776	98,712
Godown	5%	605,855	0	0	605,855	224,904	19,048	0	243,952	361,903	380,951
Office Building	5%	2,447,250	0	0	2,447,250	844,732	80,126	0	924,858	1,522,392	1,602,518
Factory Building	10%	7,098,379	0	0	7,098,379	5,596,482	150,190	0	5,746,672	1,351,707	1,501,897
Safety Equipments	13.91%	89,901	0	0	89,901	81,790	1,128	0	82,918	6,983	8,111
plant & machinery	15.33%	89,944,758	2,401,924	10,853,569	81,493,113	65,684,264	3,825,991	10,464,377	59,045,878	22,447,235	24,260,494
Lab Equipments	15.33%	498,694	0	0	498,694	347,649	23,155	0	370,804	127,890	151,045
E.T.P	15.33%	21,069,034	0	0	21,069,034	8,172,422	1,977,051	0	10,149,473	10,919,561	12,896,612
Generator	15.33%	52,380	0	0	52,380	39,483	1,977	0	41,460	10,920	12,897
Furniture & Fixtures	18.1%	4,751,380	45,000	0	4,796,380	3,234,052	281,064	0	3,515,116	1,281,264	1,517,328
Vehicle	25.89%	6,539,895	0	0	6,539,895	3,786,695	712,804	0	4,499,499	2,040,396	2,753,200
Computer	40%	1,574,062	0	0	1,574,062	1,159,759	165,721	0	1,325,480	248,582	414,303
Office Equipments	15.33%	125,492	0	0	125,492	10,676	17,601	0	28,277	97,215	114,816
<b>Total</b>		<b>136,257,169</b>	<b>2,446,924</b>	<b>10,853,569</b>	<b>127,850,524</b>	<b>89,442,463</b>	<b>7,274,508</b>	<b>10,464,377</b>	<b>86,252,594</b>	<b>41,597,930</b>	<b>46,814,706</b>
Previous Year		135,268,200	3,741,834	2,752,865	136,257,169	82,059,209	8,417,012	1,033,758	89,442,463	46,814,706	53,208,991

**AS AT 31.03.2010**  
**Rs.**

AS AT 31.03.2009  
Rs.

### SCHEDULE 'E'

#### LONG TERM INVESTMENT (Trade Investment at cost)

#### QUOTED

Reliance Power Ltd.

(P.Y. 1,755) Equity Shares of 10/- each fully paid up in cash

[Aggregate Market value Rs. 00.0 /- (Previous year Rs. 1,79,887.50/-)]

-

493,650

-

**493,650**

## ***Bhageria Dye Chem Ltd.***

	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
<b>SCHEDULE 'F'</b>		
<b>Inventories</b>		
Raw Material	17,132,606	10,335,221
Finished Goods	3,204,846	3,688,333
Work in Progress	12,399,454	4,772,142
Stores & Spares (Including Retaired Assets)	2,447,570	1,799,708
	<u>35,184,476</u>	<u>20,595,404</u>
<b>SCHEDULE 'G'</b>		
<b>Sundry Debtors (Unsecured)</b>		
More than six Months		
i) considered doubtful	3,896	3,896
ii) considered good	7,947	2,164,958
Others considered good	185,371,648	78,017,843
	<u>185,383,490</u>	<u>80,186,696</u>
<b>SCHEDULE 'H'</b>		
<b>Cash &amp; Bank Balance</b>		
1) Cash in Hand	541,819	665,976
2) Balance with Scheduled Bank		
i) in Current Account	11,676,899	1,145,568
ii) in Fixed Deposit	15,738,087	67,823,402
	<u>27,956,804</u>	<u>69,634,947</u>
<b>SCHEDULE 'I'</b>		
<b>LOANS &amp; ADVANCES</b>		
Advance recoverable in cash or in kind or for value to be received		
Considered good	4,860,712	5,803,115
Deposit with Govt. & Semi Govt. Bodies	22,927,062	24,938,243
Advance Income Tax (net of provision)	8,017,397	7,609,648
Other Advances	14,805,393	7,825,358
	<u>50,610,564</u>	<u>46,176,364</u>
<b>SCHEDULE 'J'</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
A) CURRENT LIABILITIES		
Sundry Creditors	122,841,998	73,881,501
Other Liabilities	1,969,165	11,787,028
Unclaimed Dividends	1,019,430	1,036,913
	<u>125,830,593</u>	<u>86,705,442</u>
B) PROVISIONS		
Proposed Dividend	4,155,300	2,077,650
Tax on Proposed Dividend	706,193	353,097
	<u>4,861,493</u>	<u>2,430,747</u>
	<u>130,692,086</u>	<u>89,136,189</u>

## 21st Annual Report 2009-10

	For the Year ended March 31, 2010 Rs.	For the Year ended March 31, 2009 Rs.
<b>SCHEDULE 'K'</b>		
<b>SALES</b>		
Sales	357,684,207	405,005,001
Less: Excise duty	24,066,525	39,598,846
Export Incentive	20,323,549	19,249,007
Trading Sales	207,477,379	155,188,497
Jobwork	2,899,605	985,561
	<b>[A] 564,318,215</b>	<b>[A] 539,843,659</b>
<b>Other Income:</b>		
Profit on Sale of Fixed Assets	-	727,142
Insurance claim received	-	83,643
Lease rent [ TDS Rs. 0.00 /- (previous year Rs. 68,288/-)]	-	335,459
Brokerage Received	-	-
Key man Insurance Policy	-	4,975,829
Miscellaneous Income	32,232	684,251
	<b>[B] 32,232</b>	<b>[B] 6,806,324</b>
	<b>[A+B] 564,350,447</b>	<b>[A+B] 546,649,984</b>
<b>SCHEDULE 'L'</b>		
<b>INCREASE / (DECREASE) IN STOCK</b>		
Closing stock of finished & semi finished goods	15,406,018	8,018,265
Opening stock of finished & semi finished goods	8,018,265	18,031,824
	<b>7,387,753</b>	<b>(10,013,559)</b>
<b>SCHEDULE 'M'</b>		
<b>MATERIAL COST</b>		
Opening Stock	10,335,221	11,962,756
Add : Purchase during the year	261,727,942	328,608,897
	7115731	-
	279,178,894	340,571,653
Less: Closing Stock	17,132,606	10,335,221
	262,046,288	330,236,432
Add: Cost of Trading Sales	200,118,044	137,710,703
	<b>462,164,332</b>	<b>467,947,135</b>
<b>SCHEDULE 'N'</b>		
<b>PAYMENT &amp; BENEFITS TO EMPLOYEES</b>		
Salary, wages & bonus	4,054,137	4,180,069
Contribution to P.F. & other funds	167,995	335,106
workmen & staff welfare	456,414	256,357
	<b>4,678,546</b>	<b>4,771,532</b>

## ***Bhageria Dye Chem Ltd.***

	For the Year ended March 31, 2010 Rs.	For the Year ended March 31, 2009 Rs.
<b>SCHEDULE 'O'</b>		
<b>Manufacturing Expenses</b>		
Power, Fuel, Electricity & Water Charges	15,563,886	12,018,556
Stores & Spares consumed	2,925,695	2,711,392
Effluent Treatment Expenses	697,389	1,881,266
Ice Expenses	8,516,125	6,238,368
Labour Expenses	4,444,412	3,442,120
Repair & Maintenance	1,554,392	2,452,732
Insurance Charges	855,767	773,476
	<b>34,557,666</b>	<b>29,517,910</b>
<b>SCHEDULE 'P'</b>		
<b>Administrative Expenses</b>		
Remuneration to Directors	2,106,000	2,106,000
Rates & Taxes	-	10,010
Payment to Auditors	345,500	267,250
Postage & Telegram	464,490	333,286
Conveyance Charges	167,060	255,304
Legal & Professional Charges	1,835,128	725,335
Telephone Expenses	860,878	679,400
Vehicle Expenses	420,812	481,516
Keyman insurance	-	463,615
Miscellaneous Expenses	3,026,856	2,617,551
Foreign Exchange Fluctuation	651,363	1,212,331
	<b>9,878,087</b>	<b>9,151,597</b>
<b>SCHEDULE 'Q'</b>		
<b>Selling &amp; Distribution Expenses.</b>		
1. Commission & Brokerage	1,806,479	1,393,700
2. Packing, Forwarding & Transport	25,522,456	15,987,422
3. Sales promotion	1,877,755	2,157,226
4. Travelling Expenses	1,482,604	3,053,439
	<b>30,689,293</b>	<b>22,591,787</b>
<b>SCHEDULE 'R'</b>		
<b>Finance Charges</b>		
Bank Charges	3,875,221	3,191,774
Interest on car loan	62,460	162,631
Interest paid to bank	11,294,528	12,023,779
Less : Interest Received (TDS Rs 4,38,679/-, P.Y. 8,25,264/-)	(2,836,440)	(3,994,496)
Interest Net	8,458,088	8,029,283
	<b>12,395,769</b>	<b>11,383,687</b>



### **SCHEDULE – S**

#### **SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

##### **A. NATURE OF OPERATIONS**

Bhageria Dye Chem. Ltd., a public limited company operates as integrated chemical organizations with the business encompassing production & distribution of chemicals.

The company presently has manufacturing facilities in India. The company's major market is Asia & Europe. Europe is the largest market. The major product is Vinyl Sulphone.

##### **B. SIGNIFICANT ACCOUNTING POLICIES :**

###### **1. Basis Of Presentation**

The Financial Statements are prepared under the historical cost convention on the basis of going concern and in accordance with the Generally Accepted Accounting Principles in India (GAAP) and provisions of the Companies Act, 1956. Generally Accepted Accounting Principles comprises of mandatory accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006. The accounting policies have been consistently followed by the company unless otherwise specifically stated.

###### **2. Use Of Estimates**

The Preparations of Company's financial statements are in conformity with Indian GAAP, requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements and amounts of income and expenses during the reported period. Actual results could differ from these estimates and the differences between actual results and estimates are recognized in the periods in which the results are known/ materialize.

###### **3. Revenue Recognition**

- a. Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.
- b. Sales are recognized when goods are invoiced on dispatch to customers. Sales are net off excise duty and sales tax.
- c. Export incentive/benefits are accounted on accrual basis. Customs duty benefits in the form of Advance License entitlements on the export of goods are recognized and added to the cost of import.

###### **4. Fixed Assets**

- a. Fixed Assets are stated at their original cost of acquisition / installation and includes pre-operational expenses.
- b. Capital Work-in-progress is stated at the amount spent up to the date of the Balance Sheet, however pending completion of the project/ assets shown in Assets schedule no depreciation is provided on the same.
- c. Fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown under the head current assets in the financial statements.
- d. Leasehold land is shown at cost, including lease premium paid.

###### **5. Depreciation**

- a. Depreciation has been provided on written down value method corresponding to the rates prescribed under schedule XIV of the Companies Act 1956.
- b. Depreciation on additions/deletions is being provided on pro-rata basis from the date of such additions/deletions.
- c. Leasehold land is being amortized over the period of lease.

###### **6. Impairment**

Impairment loss is recognized wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of profit and loss and the carrying amount of the asset is reduced to its recoverable amount.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased.

###### **7. Investments**

Long Term Investments are valued at cost.

###### **8. Inventories Valuation**

- a. Raw material, packing material, store & consumables are valued at the lower of cost and net realizable value except waste/ scrap, which is valued at net realizable value. The cost is computed on FIFO basis.
- b. Finished Goods and process stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.
- c. Obsolete, defective and unserviceable stocks are duly provided for.

###### **9. Foreign Currency Transactions**

Transactions of foreign currencies are recorded at the exchange rates prevailing on the date on which transaction took place. Monetary items in foreign currency outstanding at the close of the year are converted in Indian currency at the appropriate

## ***Bhageria Dye Chem Ltd.***

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rates of exchange prevailing on the date of Balance Sheet.

Gains and Losses arising out of fluctuation in the exchange rates are recognized as expenses in profit & loss account.

### **10. Taxes On Income**

- a. Tax expense for the year, comprises current tax and deferred tax. A provision is made for the current tax based on tax liability computed in accordance with the relevant tax laws and tax rates.
- b. A provision is made for deferred tax for all timing differences arising between taxable incomes and accounting income at currently enacted tax rates.
- c. Deferred tax is recognized only if there is a reasonable certainty backed by convincing evidence that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.
- d. Refund of income tax is accounted on realization basis.

### **11. Employee Benefits**

- a. Employee benefits comprise of both defined contributions and defined benefit plans.
- b. Provident Fund is a defined contribution plan. Company's contribution towards provident fund is charged to the Profit and Loss Account as applicable.
- c. Gratuity is a defined benefit plan. The Company has contributed the Gratuity Contribution to LIC's Company Gratuity Policy. The Company's liability towards gratuity is accounted for on the basis of an actuarial valuation done by the LIC at the year end and the same is charged to profit and loss account. Encashable value of the leave entitlement is paid in the same financial year and as per the present policy, no accumulation of leave is permitted.
- d. All short term employee benefits are accounted on undiscounted basis during the accounting period based on service rendered by the employees.

### **12. Borrowing Cost**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of cost of such assets. A qualifying asset is one that necessarily requires a substantial period of time to get ready for their intended use. All the other borrowing cost is recognized as an expense in the period in which they are incurred.

### **13. Discontinuing Operations**

The Company has not discontinued any operations during the year.

### **14. Provisions, Contingent Liabilities And Contingent Assets**

- a. The provisions are recognized and measured by using a substantial degree of estimation.
- b. Contingent liabilities and contingent assets are disclosed after a careful evaluation of the facts and legal aspects of the matter involved in issue.

## **C. NOTES FORMING PART OF THE ACCOUNTS:**

1. The figures of the previous accounting period are re-grouped, re-classified wherever necessary.

2. Contingent liabilities: (Rs. in Lacs)

<b>Sr. No</b>	<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
a)	Bank Guarantee & Import L/C	30.01	347.83
b)	Disputed Income Tax Dues (Net)	91.86	91.86

3. Balances of sundry debtors, loans and advances, Deposits and sundry creditors are subject to confirmation.

4. In the opinion of the Board of Directors of the Company the Current Assets, Loans and Advances have a value on realizations in the ordinary course of business, at least equal to the amounts at which they are stated and the provisions for all known liabilities are adequate and are not in excess of the amount reasonably necessary.

5. During the current year, the Company has received Rs 57.27 Lacs as Grant under bi-lateral international agreement towards phasing out the consumption of carbon tetrachloride related to implementation of the Montreal Protocol. This amount is shown as Extraordinary income in the Profit & Loss Account. The Company has incurred an expense of Rs. 11.73 Lacs for obtaining the grant which is included in the Legal and Professional fees.

6. The disclosures required under accounting standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) rules 2006, are given below:

## 21st Annual Report 2009-10

### Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized are charged off for the year are as under:

(Amt. in Rs.)

Particulars	Current Year	Previous Year
Employer's Contribution To Provident Fund & Pension Scheme	1,09,936	1,11,217
Employer's Contribution To Employee State Insurance	52,363	50,521

### Defined benefit plan

The employee's gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

	Current Year Gratuity (Funded)	Previous Year
a. Reconciliation of opening and closing balances of defined benefit obligation		
Defined benefit obligation at beginning of the year	1067288	988002
Current Service Cost	60933	64042
Interest Cost	NIL	NIL
Actuarial (gain)/loss	54173	58717
Benefits paid	NIL	102309
Defined Benefit obligation at year end	1182394	1067288
b. Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at the beginning of the year	1026412	533386
Expected return on plan assets	109943	48005
Actuarial (gain)/loss	54173	
Employer contribution	5226	515386
Benefits paid	NIL	102309
Fair value of plan assets at year end	1298320	1026412
Actual return on plan assets	212509	79949
c. Reconciliation of fair value of assets and obligation		
Fair value of plan assets as at 31st March, 2010	1298320	960566
Fair value of obligation as at 31st March, 2010	1182394	1067288
Unfunded net liability recognized in balance sheet	NIL	170764
d. Expenses recognized during the year		
Current service cost	60933	64042
Interest cost	63	NIL
Expected return on plan assets	109943	48005
Actuarial (gain)/loss	54173	58717
Net Cost	5226	170764
e. Investment details	% invested as	invested as
	at 31st March 2010	at 31st March 2009
L.I.C. Company Gratuity (Cash Assumption) Policy	100%	100%
f. Actuarial assumptions		
Mortality Table (L.I.C.)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate (per annum)	8.00%	8.00%
Expected rate of return of plan assets (per annum)	9.00%	9.00%
Rate of escalation in salary (per annum)	4.00%	4.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

## ***Bhageria Dye Chem Ltd.***

7. Managerial Remuneration: (Amt in Rs.)		
Particulars	Current Year	Previous Year
Directors Remuneration *		
Salary	21,06,000	21,06,000
Directors sitting fees	32,500	27,500

\* Provided as per the provisions of Section II of Part II of the Schedule XIII of the Companies Act, 1956.

8. Auditors Remuneration: (Amt in Rs.)		
Particulars	Current Year	Previous Year
Audit Fees	200,000	200,000
Tax Audit Fees	50,000	50,000
Certification Fees	13,000	17,250
In Other Capacity	82,500	--
Total	<u>345,500</u>	<u>267,250</u>

9. Income Tax Assessments have been completed up to assessment year 2007-2008 pertaining to previous accounting year ended on 31.03.2007. The company does not foresee any Liabilities for the uncompleted Assessments.

10. Sales Tax Assessments have been completed up to the Accounting year ended as on 31.03.2005 in respect of Mumbai Jurisdiction. Sales Tax Assessments have been completed upto accounting year ended as on 31.03.2006 in respect of Vapi (Gujarat) The company does not foresee any Liabilities for the uncompleted Assessments.

11. The liability of Excise Duty on finished goods of Rs 2.66 Lacs (Previous Year 2.47 Lacs) has been provided in the accounts and has been included in the valuations of the finished goods. This accounting treatment has no impact on the profit of the year.

12. The components of Deferred Tax asset & liability are as under:

Particulars	Current Year	Previous Year
Deferred Tax Liability		
On account of Depreciation	47,86,639	63,91,975
	47,86,639	63,91,975
Deferred Tax Asset		
On Account of Carried forward Losses	-	58,72,604
On Account of MAT Credit	15,15,000	-
Deferred Tax Liability	32,71,639	5,19,371

13. Earning Per Share

Particulars	Current Year	Previous Year
Net Profit After Tax available for Equity Share Holders	57,47,730	(1,17,95,534)
Weighted Average number of Equity Shares of Rs.10/- each outstanding during the year [Number of Shares]	34,62,750	34,62,750
Basic Earning Per Share (Rs.)	1.66	(3.41)
Diluted Earning Per Share (Rs.)	1.66	(3.41)

14. Fixed Deposit Receipt with Banks Rs. 90.34 Lacs (Previous Years Rs. 678.23 Lacs) are pledged with bank for availing credit facilities and against L/C margin.

## 21st Annual Report 2009-10

15. Unclaimed Dividend lying credit in the specified bank accounts.

FOR YEAR ENDED	Amount (in Rs.)
31/03/2009	1,35,673
31/03/2008	3,14,559
31/03/2007	1,41,852
31/03/2006	1,13,450
31/03/2005	96,961
31/03/2004	1,01,583
31/03/2003	1,15,351
	10,19,429

16. As required by Accounting Standard AS-18 "Related Parties Disclosure" issued by The Institute of Chartered Accountants of India is as follow:

**Company's related parties**

Key Managerial Personnel

Shri. Suresh Bhageria

Shri. Vinod Bhageria

Other Directors

Shri. O.P. Bubna

Dr. Shyam Agrawal

Shri. P.S. Dalvi

Shri. S. P. Tulsian (up to 19.02.2010)

Transactions with Related Parties

Sr. No.	Nature of Transaction	Volume of Transaction (In Rs.)	
		Associate Company	Key Managerial Personnel
1	Advance Given	0 (0)	4,17,681 (0)
2	Advances recovered	0 (0)	4,17,681 (0)
3	Remuneration	0 (0)	21,06,000 (21,06,000)
4	Perquisite & Other Allowance	0 (0)	0 (0)
5	Sitting Fees	0 (0)	32,500 (32,500)
6	Receivable / (Payable)	0 (0)	0 (0)
7	Key man Insurance Policy	0 (0)	0 (49,75,829)

17. Segmental Reporting as per AS-17

Primary Segment

The company is engaged in one segment i.e. manufacturing and trading in chemicals and dyes & dyes intermediates.

## ***Bhageria Dye Chem Ltd.***

Secondary segment		
Particulars	As at 31st March, 2010	As at 31st March, 2009
REVENUE FROM		
(a) Domestic	18,34,67,166	15,88,27,452
(b) Export	35,76,27,895	36,17,83,153
Total Revenue	54,10,95,061	52,06,10,605

### 18. Small Scale Industries

The management is currently in the process of identifying enterprises which have been provided goods and services to the company which qualify under the definition of Medium and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosures in respect of amount payable to such Micro, Small and Medium Enterprises as at March 31, 2010 has not been made in the financial statements. However, in view of the management, the impact of the interest, if, any, that may be payable in accordance with the provisions of the Act is not expected to be material.

### 19. Prior Period Adjustments

Considering the nature of the business, all the prior period adjustments, including those ascertained and determined during the year have been accounted for under the respective heads of accounts.

There are certain changes which have been effected in the accounting policy which result in appropriate presentation of financial statements, however it does not have any material impact in the current as well as in future periods.

### 20. INFORMATION PURSUANT TO PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

#### A. TURNOVER, OPENING & CLOSING STOCKS BY CLASS OF GOODS PRODUCED FOR SALE

CLASS OF GOODS	UNIT	TURNOVER		OPENING STOCK		CLOSING STOCK	
		QTY	VALUE Rs.	QTY	VALUE Rs.	QTY	VALUE Rs.
Vinyl Sulphone	MT	2373.183 (2095.013)	285,565,853 (300,352,784)	17.300 (16.150)	1,954,900 (2,637,854)	3.080 (17.300)	480,401 (1,954,900)
Vinyl Sulphone (O.A.)	MT	149.849 (0.000)	33,682,335 -	0.000 (0.000)	- -	0.518 (0.000)	127,983 -
Resale Items			207,477,379 (155,188,497)	0.000 (0.000)	- (0)	0.000 (0.000)	- (0)
Others			14,369,494 (65,069,324)	41.870 (77.839)	1,684,243 (8,440,770)	40.180 (41.870)	2,398,180 (1,684,243)
<b>TOTAL</b>			<b>541,095,061</b> <b>(520,610,605)</b>	<b>59.170</b> <b>(93.989)</b>	<b>3,639,143</b> <b>(11,078,624)</b>	<b>44</b> <b>(59.170)</b>	<b>3,006,564</b> <b>(3,639,143)</b>

Note : Resale items: The quantity is mentioned in Pcs., as well as in Kgs. Therefore the quantitative details are not comparable as well as workable, hence has not been provided.

## 21st Annual Report 2009-10

### B. RAW MATERIAL CONSUMPTION:

SR. NO.	NAME OF ITEM	CURRENT YEAR		PREVIOUS YEAR	
		QUANTITY MT	AMOUNT Rs.	QUANTITY MT	AMOUNT Rs.
1	Aniline Oil	868.195	49,487,115	699.930	54,286,571
2	Acetic Acid	364.200	10,048,278	273.395	8,390,493
3	Acetanilide	356.000	23,638,400	295.000	23,110,300
4	Chloro Sulphonic Acid	7835.535	49,598,937	5184.000	64,126,080
5	Caustic Soda Lye / Flakes	2648.700	20,367,266	2261.100	28,977,824
6	Ethylene Oxide	725.205	43,802,382	569.655	38,747,933
7	Other Chemicals & Acids		65,103,910		112,597,231
			262,046,288		330,236,432

Raw Materials consumed are after adjustments of shortage/ excess of Quantity and provision for losses/ profits.

### C. DETAILS REGARDING IMPORT & INDIGENEOUS RAW MATERIALS AND STORES & SPARE PARTS

	IMPORT VALUE Rs.	% TO TOTAL CONSUMPTION	INDIGENEOUS VALUE Rs.	% OF THE TOTAL CONSUMPTION	TOTAL CONSUMPTION Rs.
1. Raw Material	91,935,863 (79815679)	17.52 (24.17)	216,146,661 (250420753)	82.48 (75.83)	262,046,288 (330236432)
2. Stores & Spares	- ( 0 )	- ( 0 )	2,925,695 (2,711,392)	100 (100.00)	2,925,695 (2,711,392)

### D) DETAILS OF LICENCE & INSTALLED CAPACITY AND PRODUCTION OF GOODS

CLASS OF GOODS	INSTALLED CAPACITY PER ANNUM	ACTUAL PRODUCTION	
		AS ON 31.03.2010(MT)	AS ON 31.03.2009(MT)
1. Vinyl Sulphone & OAVS	3600.000 M.T.	2,802.157	2,127.449
2. Acetanilide	Not Applicable	1,371.396	992.150
3. Acetic Acid (Spent)	Not Applicable	359.385	291.060
4. Hydrochloric Acid (Spent)	Not Applicable	3,965.045	2,511.350
5. Sulphanilic Acid	Not Applicable	18.800	1,600.000
6. Acetamino Sulphonic Dry	Not Applicable	0.000	0.000

\* Acetanilide 1362.345 M.T.(Prev. Year 994.200 M.T.) & Acetic Acid 438.600 MT (Prev. Year 352.285 M.T.) & Spent HCL 231.970 M.T. (Prev. Year 16.305 M.T.) used as Captive Consumption.

## ***Bhageria Dye Chem Ltd.***

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	<b>31/3/2010</b>	<b>31/3/2009</b>
<b>E) C.I.F.VALUE OF IMPORTS</b>		
Raw Material / Trading Item	91,935,863	79,815,679
<b>F) EXPENDITURE IN FOREIGN CURRENCY</b>		
(i) Travelling	127,555	183,130
(ii) Commission	-	-
<b>G) EARNING IN FOREIGN CURRENCY</b>		
F.O.B. Value of Exports	357,627,895	478,932,639

**H) Amount remitted to non-resident shareholders towards dividend for the year ended 31st March, 2009**

	<b>Number of Shareholders</b>	<b>Shares Held</b>	<b>Amount remitted</b>
Non-resident shareholders	102	179189	107513.00
having mandates in India	(103)	(182564)	(273847.00)

The schedules referred to above form an integral part of Balance Sheet

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**As per our report attached  
FOR SARDA & PAREEK  
Chartered Accountants**

**Gaurav Sarda  
Partner  
(Membership No. 110208)**

**PLACE : Mumbai  
DATE : 29th May 2010**

**For and on behalf of the board  
Suresh Bhageria  
Chairman**

**Vinod Bhageria  
Managing Director**

**O.P. BUBNA  
Director**



## 21st Annual Report 2009-10

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

#### 1. REGISTRATION DETAILS

Registration No.  State Code   
Balance Sheet Date

#### 2. CAPITAL RAISED DURING THE YEAR [AMOUNT RS. IN THOUSAND]

Public Issue  Right Issue   
Bonus Issue  Private placement

#### 3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS [AMOUNT RS. IN THOUSAND]

Total Liabilities  Total Assets   
Paid Up Capital  Reserve & Surplus  Deferred Tax Liabilities  
Secured Loan  Unsecured Loan

#### APPLICATION OF FUNDS

Net Fixed Assets  Investments   
Net Current Assets  Misc. Expenditure   
Accumulated Losses

#### 4. PERFORMANCE OF COMPANY [AMOUNT RS. IN THOUSAND]

Turnover  Total Expenditure   
Profit Before Tax  Profit After Tax   
Earning Per Share in RS.  Dividend Rate %

#### 5. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/ SERVICES OF COMPANY [ AS PER MONETARY TERMS ] [ PRODUCT DISCRPTION ] [ITC CODE]

1.    
2.    
3.

FOR AND ON BEHALF OF THE BOARD

Suresh Bhageria  
Chairman

PLACE : Mumbai  
DATE : 29th May, 2010

## ***Bhageria Dye Chem Ltd.***

### STATEMENT OF CASH FLOW PURSUANT TO LISTING AGREEMENT WITH STOCK EXCHANGE

PARTICULARS	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	10,099,998	(17,144,235)
Adjustments for		
Depreciation	7,274,508	8,417,012
Loss /(Profit) on Sale of Assets	0	(727,142)
Depreciation Written Off	0	0
Interest Paid	12,395,769	11,383,687
Operating Profit before Working Capital Changes	29,770,275	1,929,322
Changes in Working Capital		
(Increase)/Decrease in Inventories	(14,589,072)	11,204,551
(increase)/Decrease in Sundry Debtors	(105,196,794)	64,403,122
(increase)/Decrease in Loans & Advances	(4,026,450)	29,606,123
increase/(Decrease) in Current Liabilities	39,125,151	(8,926,372)
<b>Cash Generated from Operation</b>	(54,916,891)	98,216,746
Corporate Tax on Dividend paid	(353,097)	(883,001)
Capital Grant	5,726,661	
Direct Taxes Paid	(1,500,000)	(3,357,359)
<b>CASH FROM OPERATING ACTIVITIES</b>	<b>(51,043,327)</b>	<b>93,976,386</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	(2,446,924)	(3,741,834)
Sale of Assets	0	2,446,250
Sale of Investment	303,860	0
<b>NET CASH FROM INVESTMENT ACTIVITIES</b>	<b>(2,143,064)</b>	<b>(1,295,584)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Bank Cash Credit	25,910,434	(59,820,787)
Dividend paid	(2,077,650)	(5,194,125)
Interest (Net)	(12,395,769)	(11,383,687)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>11,437,015</b>	<b>(76,398,599)</b>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(41,678,143)	16,282,204
Cash and cash Equivalents at the commencement of the year	69,634,947	53,352,744
<b>Cash and cash Equivalents at the closure of the year</b>	<b>27,956,804</b>	<b>69,634,948</b>

The Schedules referred to above form an integral part of Balance Sheet.

As per our report attached

**FOR SARDA & PAREEK**  
Chartered Accountants

Gaurav Sarda  
Partner  
(Membership No. 110208)

PLACE : Mumbai  
DATE : 29th May 2010

For and on behalf of the board

Suresh Bhageria  
Chairman

Vinod Bhageria  
Managing Director

O.P. BUBNA  
Director



***Bhageria Dye Chem Ltd.***

**ATTENDANCE SLIP**

Regd. Office :

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

Ledger Folio / DPID No. \_\_\_\_\_ Signature \_\_\_\_\_

Name & Address of Shareholder : \_\_\_\_\_  
\_\_\_\_\_

I/We here by record my presence at the 21st Annual General Meeting at Lalit Restaurant Hall, Near Rly. Station, Goregaon (W), Mumbai - 400 062. Saturday, the 14th Day of August, 2010 at 11.00 A.M.

Only shareholder/proxies/representatives are allowed to attend the meeting.



***Bhageria Dye Chem Ltd.***

**PROXY FORM**

Regd. Office :

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



I/We \_\_\_\_\_

Of \_\_\_\_\_

in the district of \_\_\_\_\_

being a member (s) of the above Named Company, hereby appoint \_\_\_\_\_

of \_\_\_\_\_ or failing him \_\_\_\_\_

of \_\_\_\_\_ as my/ our proxy to attend and vote for me / us and on my / our

behalf at the 21st Annual General Meeting of the company.

Ledger Folio / DPID No. \_\_\_\_\_ of shares held \_\_\_\_\_

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

Place : \_\_\_\_\_

Signature \_\_\_\_\_

Affix A  
Revenue  
Stamp

**Note :** This form duly completed should be deposited at the Registered Office of the Company Not later than 48 hours before the commencement of Annual General Meeting of the Company.