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BHAGERIA INDUSTRIES LIMITED

REGD. OFF.: OFFICE NO. 1002, 10TH FLOOR, TOPIWALA CENTRE, OFF S.V. ROAD,
NEAR GOREGAON RAILWAY STATION, GOREGAON (WEST), MUMBAI - 400 062.
CIN : L40300MH1989PLC052574

October 21, 2018.

To,

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai- 400051

BSE Limited
Listing Department
P.J. Towers, 1st Floor,
Dalal Street, Fort,
Mumbai – 400 001

Ref: Scrip Name: BHAGERIA

Scrip Code: 530803

Sub: Investor Presentation on the unaudited financial results of the Company for the quarter and half year ended 30 September 2018

Dear Sir/Madam,

Please find enclosed a copy of investor Presentation on the unaudited financial results of the Company for the quarter and half year ended 30 September 2018 for your information and record.

This is for you information and record

Thanking you,

Yours faithfully,

For Bhageria Industries Limited


Rakesh Kachhadia
CFO



Encl: A/a

Certified Company: ISO 9001 : 2015 | ISO 14001 : 2015 | OHSAS 45001 : 2018

VAPI FACTORY : PLOT NO. 6310, IV PHASE, G.I.D.C. VAPI – 396195, GUJARAT, INDIA. TELPHONE : 0260-2452366 / 7490019481

TARAPUR FACTORY : PLOT NO. D-17, M.I.D.C., TARAPUR BOISAR INDUSTRIAL AREA, BOISAR, PALGHAR - 401506, MAHARASHTRA, INDIA. TELPHONE: 02525-661190

A GOVT. OF INDIA RECOGNISED ★ ★ STAR EXPORT HOUSE



**BHAGERIA
INDUSTRIES LTD**

INVESTOR
PRESENTATION

October 2018



Safe Harbor



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Q2FY19 RESULT HIGHLIGHTS



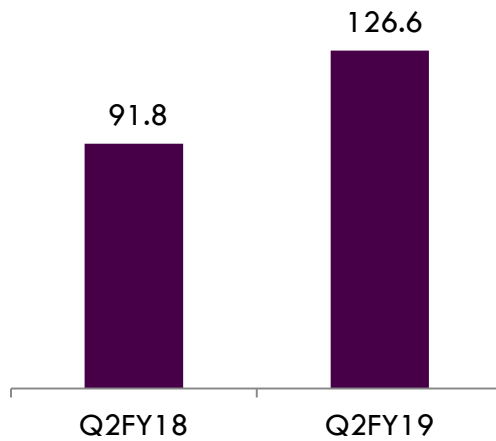


Robust Y-o-Y Growth in Q2 FY19

38%



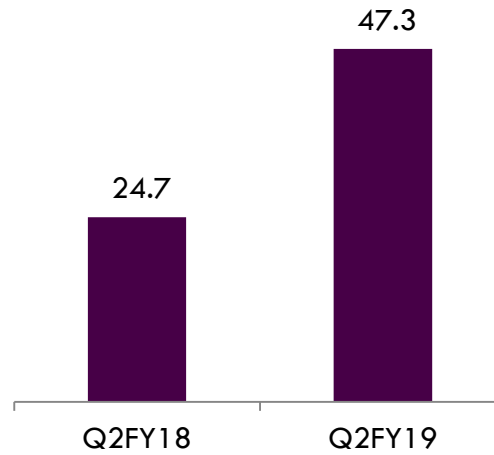
REVENUE (Rs Cr)



91%



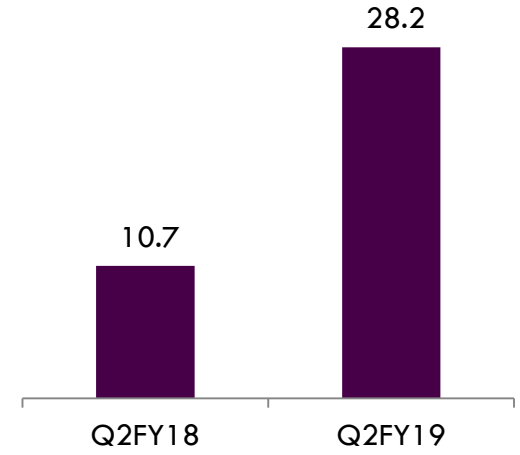
EBITDA (Rs Cr)



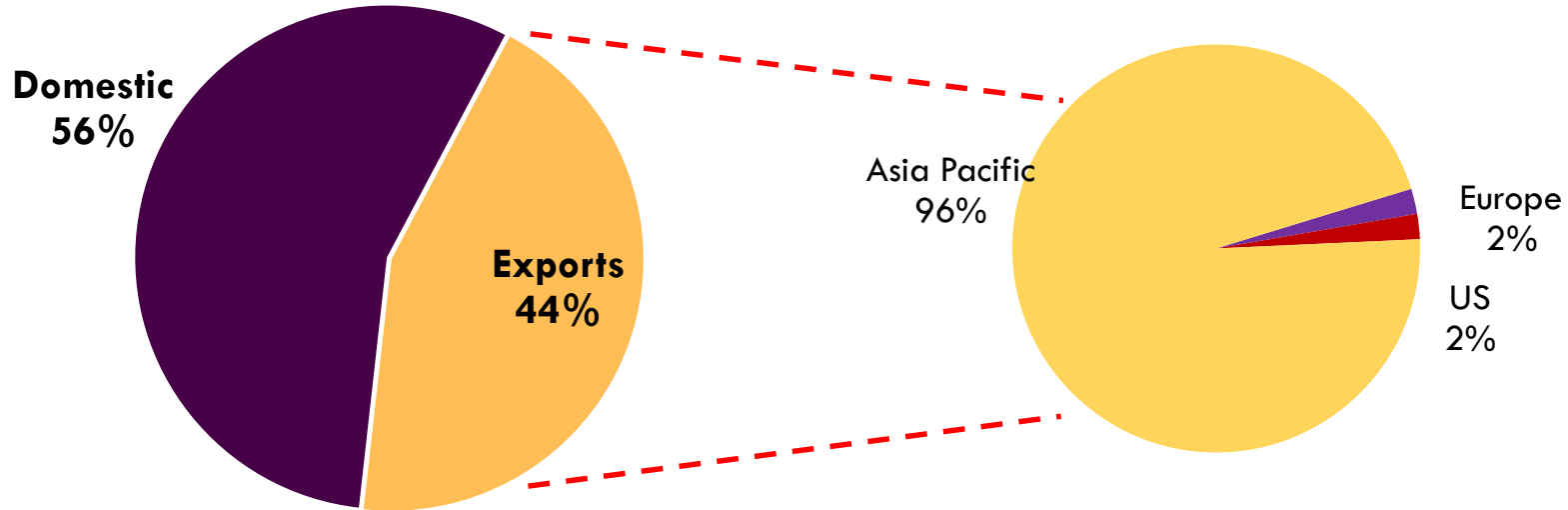
165%



PAT (Rs Cr)



Exports Contributing to 44% of Revenues



Increasing **geographical diversification**

Adding newer geographies: started exporting to the US market

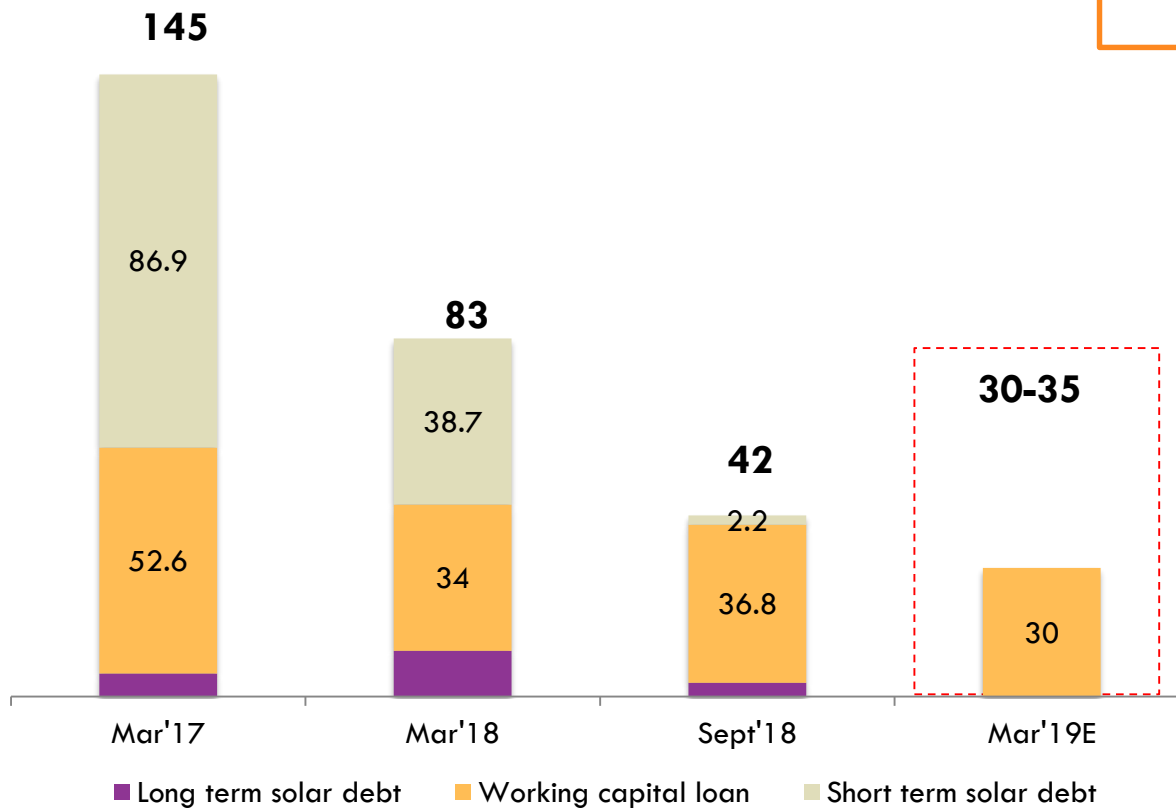
New **client additions**: added KISKO Group and Kimsoy Boya



Net Long Term Debt Free

DEBT (Rs Cr)

Repaid over Rs 103 crore debt since Mar'17



Successful Commissioning of Solar Project



**Total Revenue from
solar business (Q2FY19) – Rs 6 cr
PLF (30MW) – 24***

Solar project fully commissioned in Maharashtra

- 25 year PPA with Solar Energy Corporation of India (SECI)
- Capacity - 30MW
- Tariff – Rs 4.41 /unit
- Total project capex – Rs 180 cr

Existing project

- Solar rooftop solution - 25 year PPA with Asahi India Glass Ltd, TRIL Ltd, Lucas Ltd & Kajaria Ceramics Ltd.
- Capacity – 4 MW
- Tariff – Rs 6.61 /unit

**last 6 months average*



Q2FY19 Result Highlights

Rs Cr	Q2FY19	Q2FY18	% Change	H1FY19	H1FY18	% Change
Net Sales	121.6	89.8	35.4%	234.9	178.4	31.7%
Cost of Materials Consumed	63.6	54.7	16.4%	130.6	110.4	18.3%
Employee Benefit Expense	3.2	2.8	16.2%	6.0	5.4	11.1%
Other Expenses	12.5	9.5	31.6%	25.8	27.9	-7.5%
Total Expenses	79.4	66.9	18.6%	162.4	143.7	13.0%
EBITDA	42.2	22.9	84.8%	72.5	34.7	108.9%
EBITDA margin	34.7%	25.5%	--	30.9%	19.5%	--
Other Income	5.0	1.9	163.2%	6.3	4.4	43.2%
Depreciation	5.4	6.7	-19.4%	10.8	12.2	-11.5%
Interest	1.2	1.6	-25.0%	2.3	3.0	-23.3%
PBT	40.6	16.5	146.9%	65.7	23.9	174.9%
Tax Expenses (Credits)	12.4	5.8	113.8%	19.7	8.3	137.3%
PAT	28.2	10.7	164.9%	46.0	15.6	194.9%
PAT Margin	23.2%	11.9%	--	19.6%	8.7%	--



Balance Sheet

Rs Cr	Sep'18	Mar'18
Share Capital	10.9	7.9
Equity Shares Pending Allotment	--	2.9
Reserves	315.9	284.4
Shareholders' Funds	326.9	295.3
Long Term Borrowings	3.2	9.2
Deferred Tax Liabilities	51.5	51.6
Long Term Provisions	0.9	0.7
Total Non-Current Liabilities	55.6	61.4
Trade Payables	47.2	52.2
Other Current Liabilities	6.9	13.0
Short Term Provisions	0.6	0.5
Short Term Borrowings	38.5	72.8
Total Current Liabilities	100.2	138.6
Total Liabilities	482.6	495.3

Rs Cr	Sep'18	Mar'18
Fixed Assets incl. CWIP	300.2	303.6
Long Term Loans & Advances	2.1	2.2
Total Non-Current Assets	302.3	305.8
Current Investments	0.1	0.8
Inventories	25.6	31.0
Trade Receivables	94.4	87.4
Cash and Bank	32.3	33.0
Other Current Assets	27.8	37.3
Total Current Assets	180.2	189.5
Total Assets	482.6	495.3

COMPANY OVERVIEW





Company Snapshot

Dye Intermediates

H-Acid
Vinyl Sulphone
Gamma Acid

2

Manufacturing
plants



10+

Ship-to-countries



373

Revenue in
Rs Cr (FY18)

21%

EBITDA Margin
(FY18)

500+

Employees



33%

Return on Capital Employed
(FY18 chemical biz)

EPS

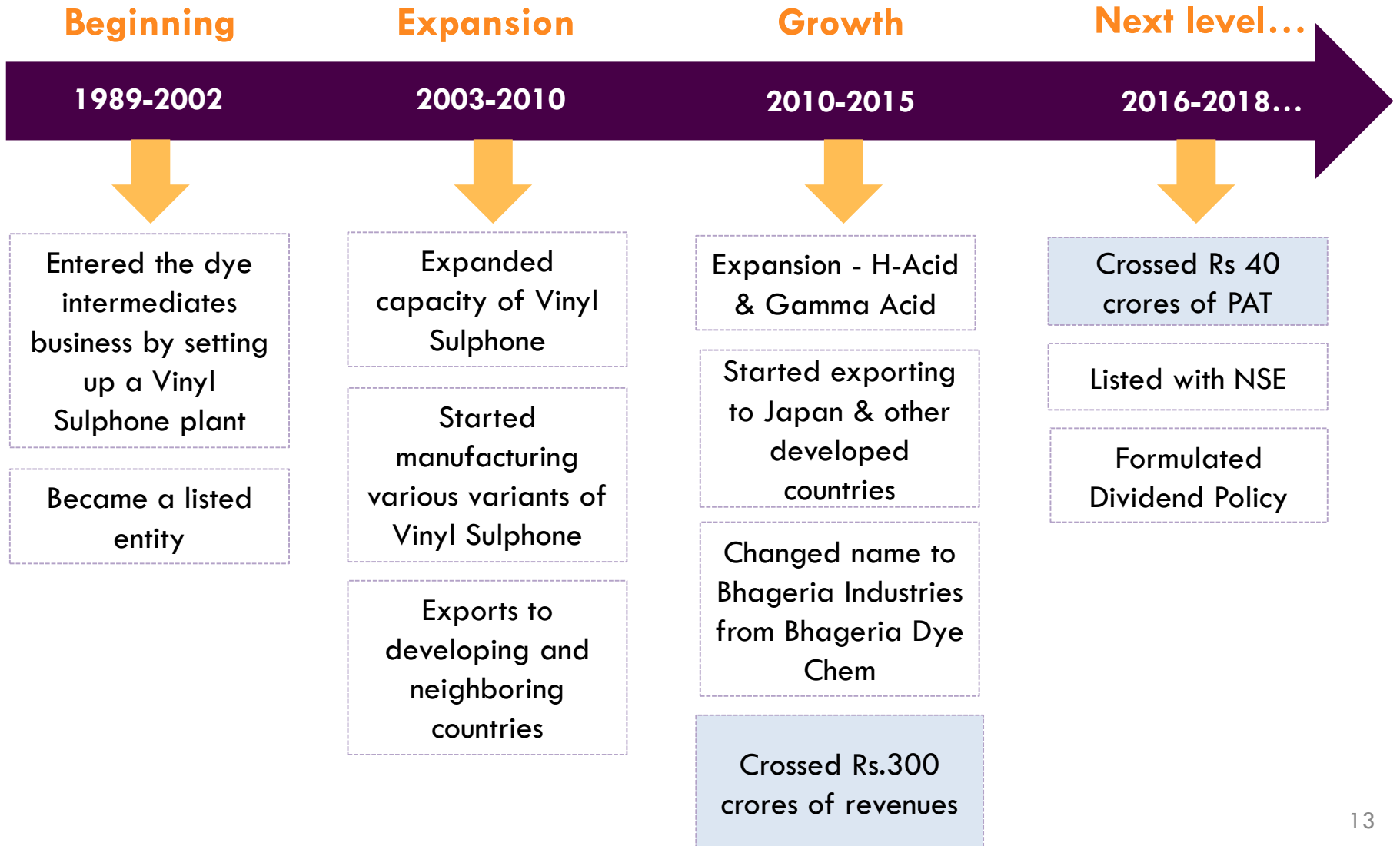
Rs 18.5 per share
(FY18) (FV Rs.5)

Dividend

Rs 5.5 per share
(110 % for FY18)



History and Evolution



Manufacturing Facilities

Vapi, Gujarat - Vinyl Sulphone

- Located in chemical belt of Gujarat
- Best pollution control facilities



Boisar, Maharashtra - H-Acid/Gamma Acid

- Spread over 25 acres; land available for expansion
- Captive solar power plant

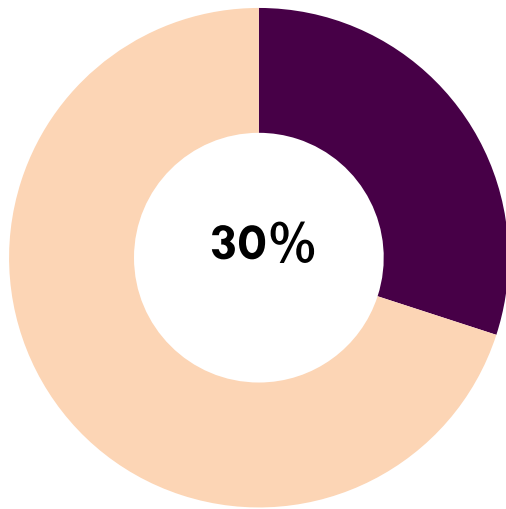


All facilities are moving towards zero discharge by end of this fiscal

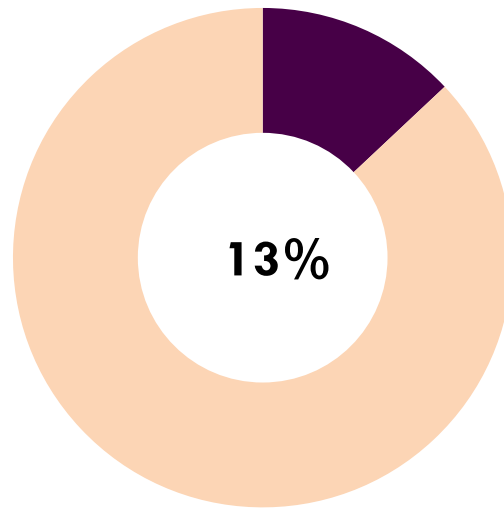


Leading Manufacturer across Dye Intermediates...

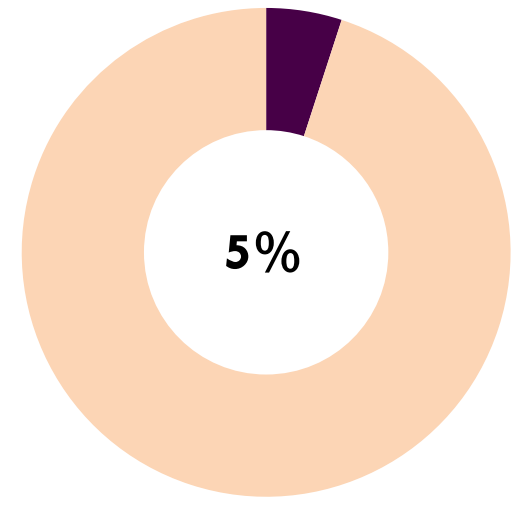
Gamma Acid



H-acid



Vinyl Sulphone



Market share of total global capacity*

Amongst the leading 3 manufacturers of H-Acid and Gamma Acid

Total Capacity of Dye Intermediates ~9,500 TPA

*Industry sources & management estimates



.. With margin leadership in the industry

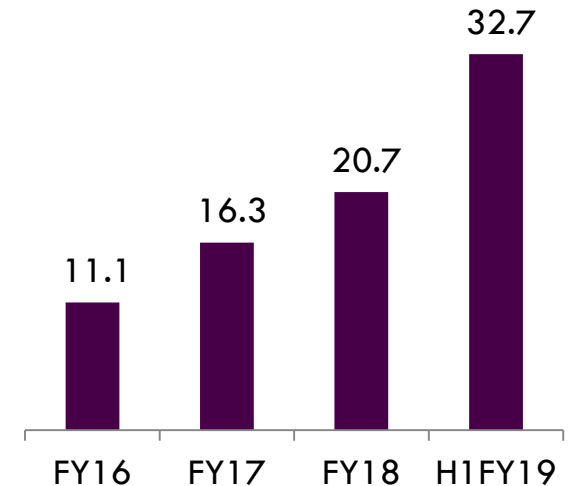
Cost optimization through various initiatives

95%+ Capacity utilisation

Consistently strong EBITDA margins

- Sourcing of raw materials
 - ✓ Bulk purchases which saves cost
 - ✓ Proximity to sources of raw material
- Strategically located close to major ports, saves on logistics cost
- Optimum and efficient use of by-products and effluent generated in the manufacturing process

EBITDA Margin (%)





Long Term Client Partnerships

Domestic Clients



Global Clients



PT Sinar



Promoters with significant industry experience



Suresh Bhageria

Chairman

- Has experience of more than 30 years in the Dyes & Dyes Intermediates Industry of Drugs and Pharmaceuticals
- Holds a degree in Bachelor of Commerce



Vinod Bhageria

Managing Director

- Has experience of more than 30 years in the areas of Dyes & Dyes Intermediates Industry, Finance, Taxation, Audit & other allied matters
- Holds a degree in Bachelor of Commerce



Vikas Bhageria

Joint Managing Director

- Experience of more than 10 years in the areas General Business Management & Project Execution
- Bachelor of Commerce and Master of Computer Applications



Chandraprabha Bhageria

Executive Director

- Has an experience of over 25 Years in general management & communication

Supported by Board of Directors



SP Tulsian

Independent Director

A renowned market analyst with rich experience of over 36 years; a commerce and law graduate, holds professional qualifications of Chartered Accountancy & Company Secretary



Surendra Gupta

Independent Director

Has expertise in taxation having experience of over 2 decades. He is a well known philanthropist & holds professional qualifications of Chartered Accountancy & Company Secretary



PS Dalvi

Independent Director

Has specialization in Chemical industry and having experience of over 38 year in various fields. He is a Qualified B.Sc (Hons) Tech



Dr. Shyam Agrawal

Independent Director

A reputed eye specialist. He has a rich experience of more than 35 years as a surgeon in the field of ophthalmology



OP Bubna

Independent Director

Has an experience of over 40 Years in taxation field. He is Qualified B.Com from Mumbai University and M.B.A from S.P. Jain Institute of Management and research



Sandeep Singh

Independent Director

A renowned Media Professional. Specialised in Media Planning from the Mudra Institute of Communications Ahmedabad & in General Business Management from IIM, Bangalore

Award and Accreditations



CHEMEXCIL

First Award

Small Scale Sector
Year 2015-16



CHEMEXCIL

Gold Award

Dyes & Dyes
Intermediaries Panel
Year 2007-08



CHEMEXCIL

Award for Outstanding
Performance in the
Export of Dyes & Dye
Intermediates Panel
Year 2006-07

CSR Activities

Health & Safety

Installed water purification plant at Kamptee & Mauda at Nagpur



Village Sanitation

Construction of toilets at Kachhi Gaam, Vapi



Eye Care

Donated cataract operation equipments to Param Shakti Peeth, a non-profit organization serving the underprivileged in Mathura



Rs 1.8cr spend in CSR for FY 18 – ~4% of PAT



Focus on Safety, Health & Environment

Safety

- Safety representative For each plant.
- Fire hydrant for each plant
- Safety training
- Classroom training
- On job training
- Mock drill for Ethylene Oxide conducted by Reliance

Health

- In-house occupational Health Center
- Part time doctor
- Medical representatives
- Pre-medical checkup
- Annual medical checkup
- Special camps

Environment

- Air pollution Management
- Member of CETP,TEPS & MWML
- Recover & re-use
- Solid waste management
- Sludge and gypsum
- Green zone in both factories with good greenery

- Backward Integration into manufacturing of Sulphuric Acid at Tarapur, Boisar.
 - Consent received from Maharashtra Pollution Control Board (MPCB)
 - Sulphuric acid & derivatives (Capacity of 150 TPD)
 - 25% oleum (Capacity of 10 TPD)
 - 65% oleum (Capacity of 30 TPD)
 - Chloro Sulphuric Acid (Capacity of 30 TPD)
 - Brownfield capex of Rs.100 crs to be financed by internal accruals in next 3 years
- 3.4 acres of land acquired at GIDC, Vapi, Gujarat
 - MOU signed for proposed expansion in the chemical business (other chemicals)

ANNUAL FINANCIAL HIGHLIGHTS

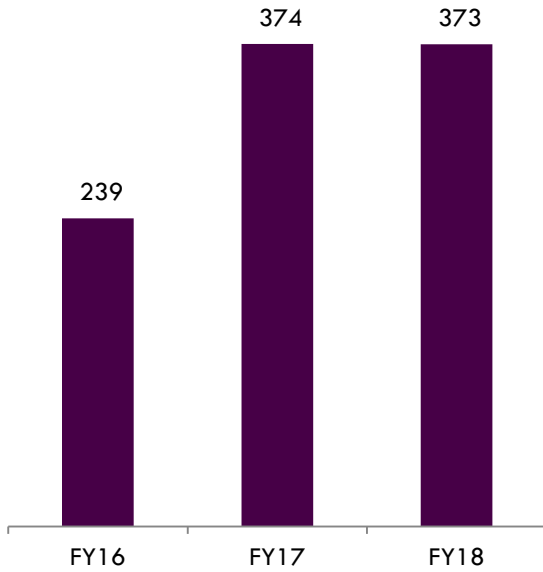




Robust Growth in Revenue and Profitability

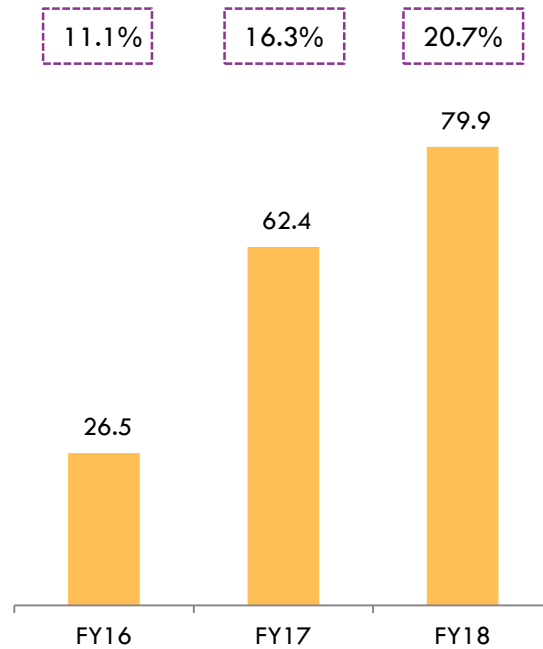
Rs cr

Revenue*



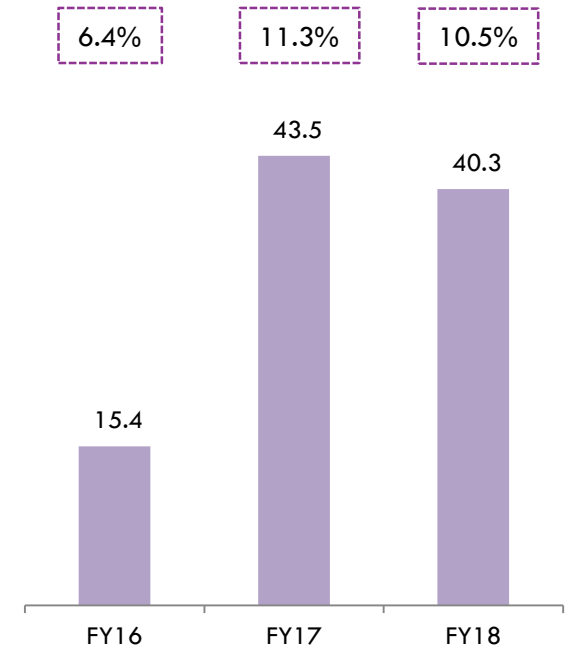
25% CAGR growth

EBITDA & EBITDA margins



73% CAGR growth

PAT & PAT margins



62% CAGR growth

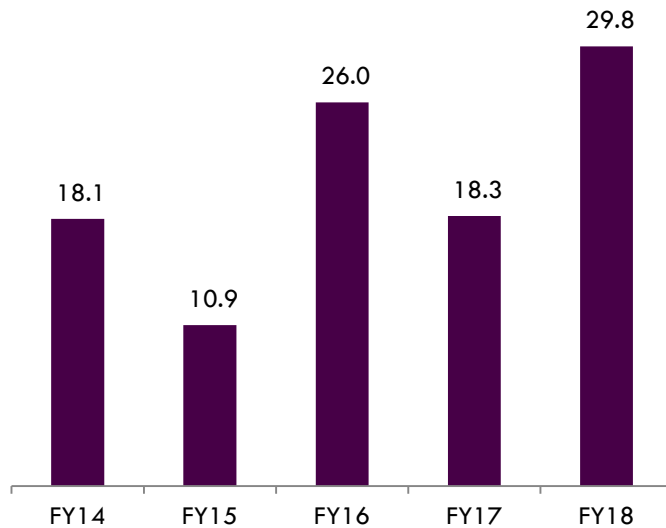
*net of Excise and GST



Consistent Dividend Paying Track Record

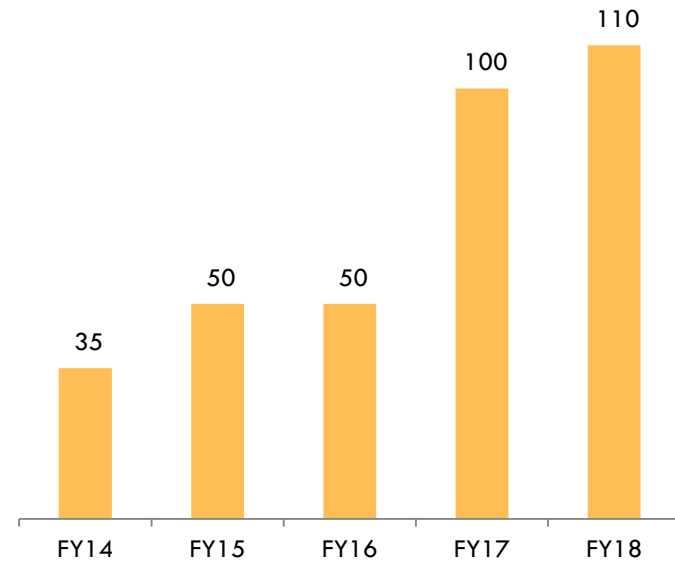
Dividend Payout

% of profit



Dividend

% of face value



Highest ever dividend paid Rs 5.5 per share in FY18 (110% of face value)

Consistently paying dividend each year since IPO



Annual Profitability Highlights

Rs Cr	FY16	FY17	FY18
Net Sales	238.5	373.5	373.3
Cost of Materials Consumed	146.2	215.5	224.0
Employee Benefit Expense	3.9	9.7	13.9
Other Expenses	61.9	85.9	55.7
Total Expenses	211.9	311.1	293.5
EBITDA	26.5	62.4	79.8
<i>EBITDA margin</i>	<i>11.1%</i>	<i>16.3%</i>	<i>20.7%</i>
Other Income	1.9	10.1	11.5
Depreciation	3.4	6.0	22.9
Interest	1.3	1.6	6.0
PBT	23.8	64.8	62.4
Tax Expenses (Credits)	8.4	21.4	22.1
PAT	15.4	43.54	40.3
<i>PAT Margin</i>	<i>6.4%</i>	<i>11.3%</i>	<i>10.5%</i>



Balance Sheet

Rs Cr	Mar'18	Mar'17
Share Capital	7.9	7.9
Equity Shares Pending Allotment	2.9	2.9
Reserves	284.4	253.7
Shareholders' Funds	295.3	264.7
Long Term Borrowings	9.2	4.4
Deferred Tax Liabilities	51.6	36.4
Long Term Provisions	0.7	0.5
Total Non-Current Liabilities	61.4	41.3
Trade Payables	52.2	33.8
Other Current Liabilities	13.0	45.5
Short Term Provisions	0.5	0.3
Short Term Borrowings	72.8	139.6
Total Current Liabilities	138.6	219.3
Total Liabilities	495.3	525.1

Rs Cr	Mar'18	Mar'17
Fixed Assets incl. CWIP	303.6	287.2
Long Term Loans & Advances	2.2	2.9
Total Non-Current Assets	305.8	290.0
Current Investments	0.8	27.3
Inventories	31.0	23.8
Trade Receivables	87.4	52.2
Cash and Bank	33.0	109.5
Other Current Assets	37.3	22.2
Total Current Assets	189.5	235.1
Total Assets	495.3	525.1

Thank You



Mr. Rakesh Kachhadiya / Mr. Bhavesh Kikani

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bhavesh@bhagerigroup.com

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