



July 25, 2019.

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 audited financial results of the Company for the quarter ended 30th June, 2019

Dear Sir/Madam,

Please find enclosed a copy of investor Presentation on the audited financial results of the Company for the quarter ended 30th June, 2019 for your information and record.

This is for you information and record

Thanking you,

Yours faithfully,
For Bhageria Industries Limited


Authorised Signatory



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 / 7490019484

TARAPUR FACTORY : PLOT D-17, M.I.D.C. TARAPUR BOISAR INDUSTRIAL AREA, BOISAR, PALGHAR - 401 506, MAHARASHTRA, INDIA TEL.: (02525) 661190

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BHAGERIA INDUSTRIES LTD

INVESTOR PRESENTATION

Q1 FY20 PERFORMANCE



Safe Harbor

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Agenda

-  **01 Q1FY20 Result Highlights**
-  **02 Chemical Segment**
-  **03 Solar Segment**
-  **04 Corporate Overview**
-  **05 Historical Financials**

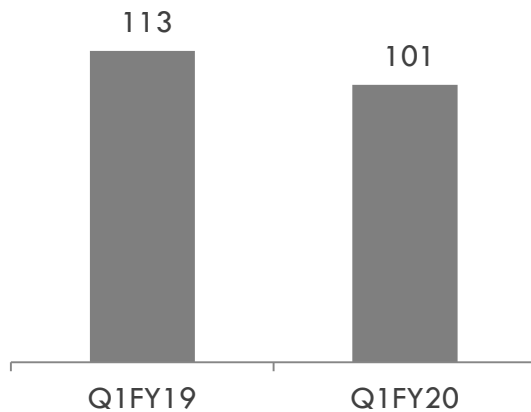
Q1 FY20 RESULT HIGHLIGHTS



Q1FY20 result highlights

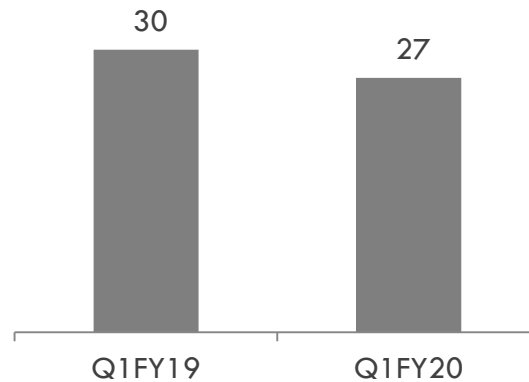
-11% ↓

Revenue



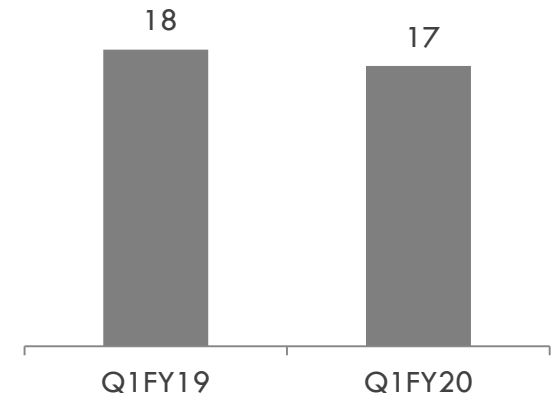
-10% ↓

EBITDA



-5% ↓

Profit after Tax



Financials in Rs Cr



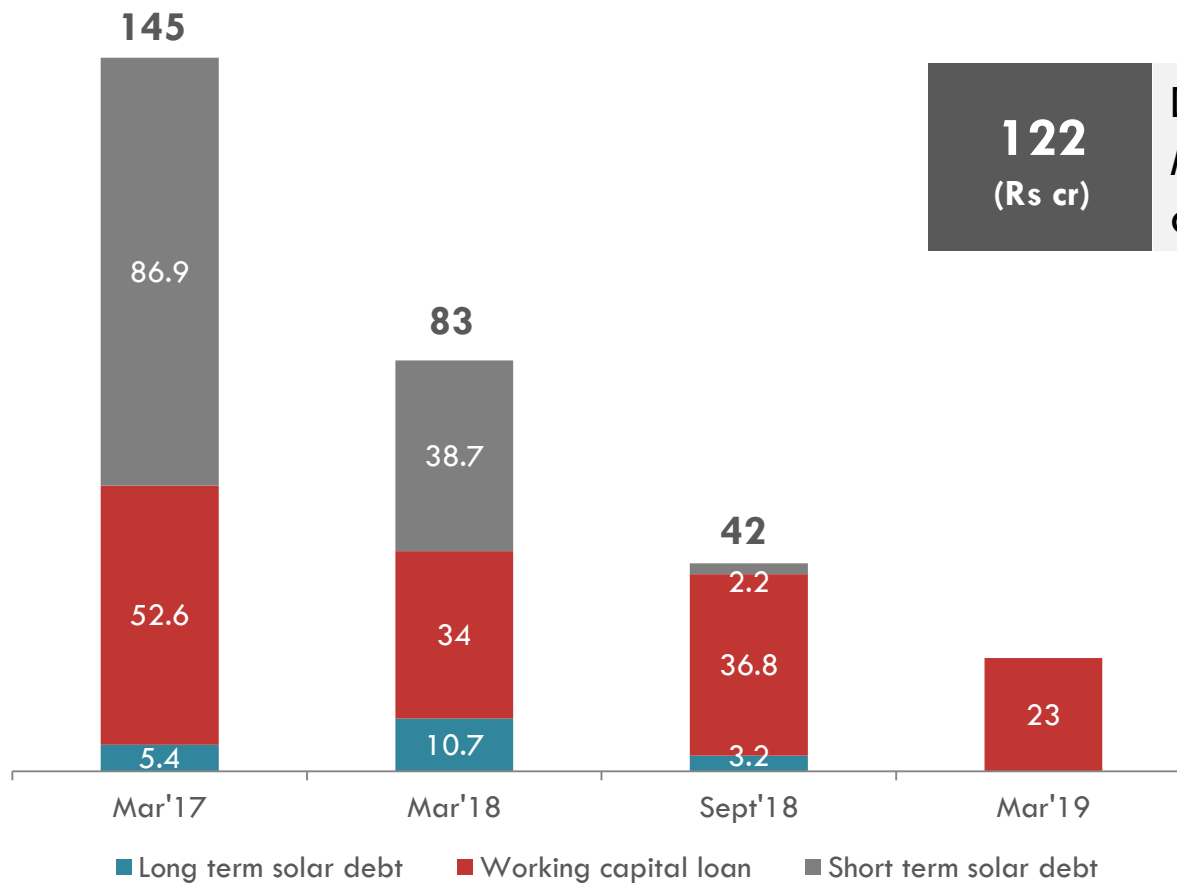
Q1 FY20 Profit & Loss statement

Rs Cr	Q1FY20	Q1FY19	% Change
Net Sales	101.4	113.3	-10.5%
-Chemical	92.3	104.7	-11.8%
-Solar	9.1	8.5	6.8%
Cost of Materials Consumed	58.0	66.9	-13.4%
Employee Benefit Expense	3.4	2.8	22.6%
Other Expenses	12.6	13.3	-4.9%
Total Expenses	74.0	83.0	-10.8%
EBITDA	27.4	30.3	-9.6%
EBITDA margin	27.0%	26.8%	--
Other Income	1.7	1.3	30.4%
Depreciation	5.5	5.4	1.8%
Interest	0.4	1.2	-67.3%
PBT	23.2	25.1	-7.3%
Tax Expenses (Credits)	6.2	7.2	-13.9%
PAT	17.0	17.8	-4.6%
PAT Margin	16.8%	15.8%	--



Long term debt free

Financials in Rs Cr



122
(Rs cr)

Debt repaid since
Mar'17 from internal
accruals



Brownfield capex of Rs.100 crs over 2 yrs

Phase
1

Backward Integration

- » 300 TPD of Sulphuric Acid & Derivatives to be manufactured at the Tarapur plant
- » Capacity to be on stream by Oct'19
- » Capex of Rs 35 crs
- » Progressing as per schedule

Phase
2

Expansion of the basket of Dye Intermediates

- » 4,500 MTPA capacity of J-Acid & Tobias to be manufactured at the Tarapur plant
- » Capacity to be on stream by March'20
- » Capex of Rs 30 crs

Phase
3

Manufacturing of Pigments Intermediates

- » 4,500 MTPA capacity
- » 3.4 acres of land purchased for the expansion at GIDC, Vapi
- » Capacity to be on stream by FY21
- » Capex of Rs 35 crs



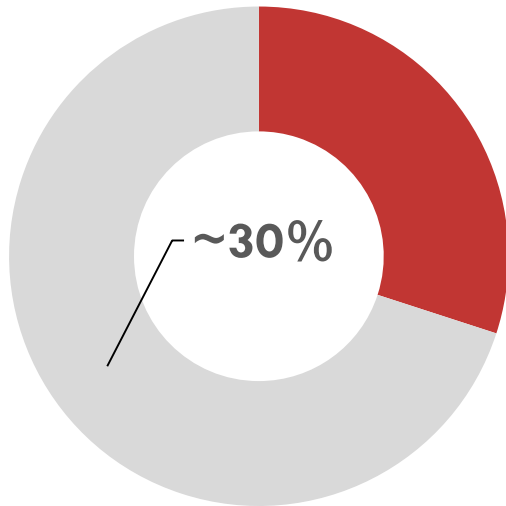
CHEMICAL SEGMENT



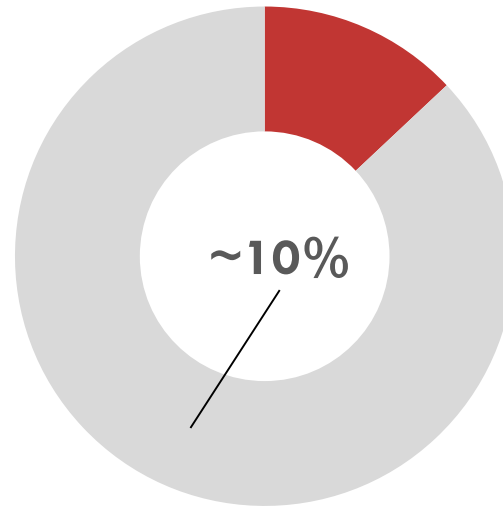
Leading manufacturer of dye intermediates

Market share of total global capacity

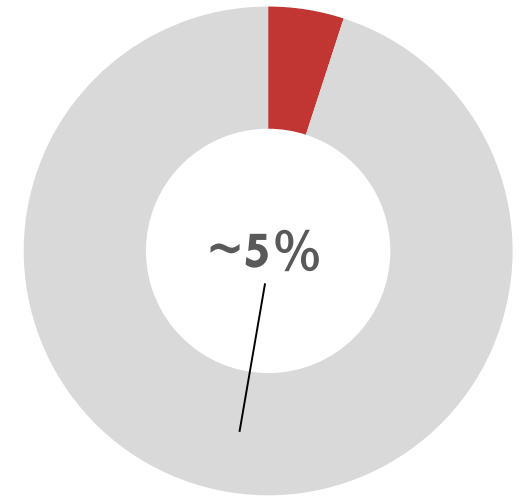
Gamma Acid



H-Acid



Vinyl Sulphone



**~9,500
TPA**

**Total Capacity of
Dye Intermediates**

3

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



..With margin leadership in the industry

Cost optimization through various initiatives

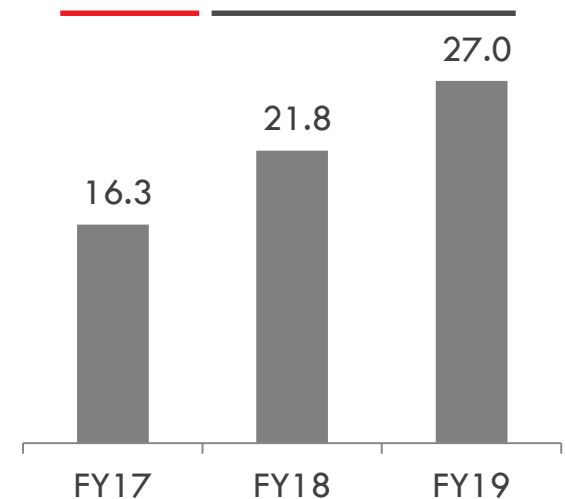
95%+ Capacity utilisation

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
- » 1MW captive solar power, saves fuel cost

EBITDA Margin (%)



Zero discharge manufacturing facilities

Vapi, Gujarat - Vinyl Sulphone

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



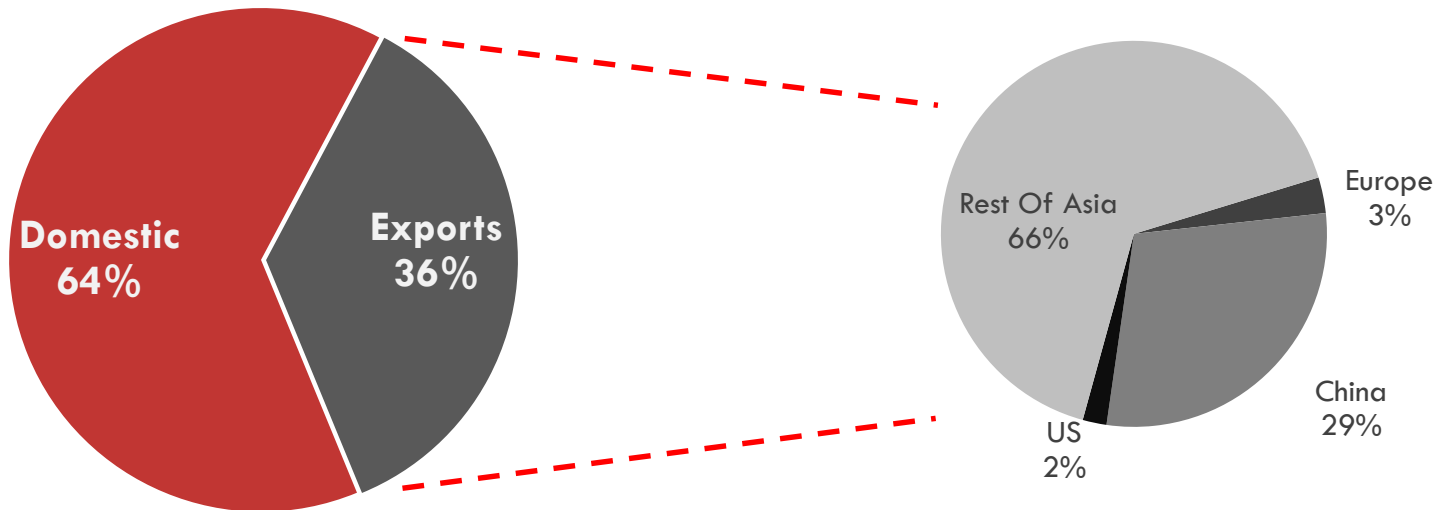
Boisar, Maharashtra - H-Acid/Gamma Acid

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



Exports contribute 36% of revenues (chemical biz)

For FY19



- » Increasing geographical diversification
- » Adding newer geographies & clients: Increased penetration to the China & other Asian markets

Long term client partnerships

Domestic Clients



Global Clients



PT Sinar



SOLAR

SEGMENT



Solar projects overview

**30MW solar project in
Maharashtra
(commissioned in FY18 end)**

- » 25 year PPA with Solar Energy Corporation of India (SECI)
- » Capacity - 30MW
- » Tariff – Rs 4.41 /unit
- » Total project capex – Rs 180 cr
- » FY19 revenue – Rs 28.30 crore

**4MW rooftop solution
(commissioned in FY15)**

- » 25 year PPA with Asahi India Glass Ltd, TRIL Ltd, Lucas Ltd & Kajaria Ceramics Ltd
- » Capacity – 4 MW
- » Tariff – Avg Rs 6.50/unit
- » FY19 revenue – Rs 4.11 crore

30MW solar project rationale and economics

FY19	Unit	Value
AC Capacity	MW	30
DC capacity	MW	39
Energy generated	Kwh in crore	6.42
Energy charge	Rs/kwh	4.41
Revenue	Rs crore	28.30
Operating expenses	Rs crore	2.35
EBITDA	Rs crore	25.95
Depreciation	Rs crore	14.96
EBIT	Rs crore	10.99
Total Capex	Rs crore	180.00

- » Annuity income – Rs 26 crore EBITDA every year
- » PLF -19%
- » The investment was driven by lack of alternate investment opportunities in the core chemical business
- » Repaid debt - Rs 50 cr; no project debt now



CORPORATE OVERVIEW

Company overview

**Rs 462
cr**

FY19 Revenue
25% 3 year CAGR

27%

FY19 EBITDA margin
Margin leadership in
the industry



**68% 3 year Profit
After Tax (PAT)
CAGR**

28%

**Return on
capital employed**

**Rs 137
cr**

**Cash Flow from
Operations (CFO)**

**Debt
free**

Only working
capital loan of
Rs 23 cr

**9,500
TPA**

**Dye intermediate
capacity**
Leading manufacturer



**2 manufacturing
plants**
Zero discharge



**10+ Ship-to-
countries**
36% exports

History and evolution

- » Entered the dye intermediates business by setting up a Vinyl Sulphone plant
- » Got listed

Beginning

1989-2002

- » Expanded capacity of Vinyl Sulphone
- » Started manufacturing various variants of Vinyl Sulphone
- » Exports to developing and neighboring countries

Expansion

2003-2010

- » Expansion - H-Acid & Gamma Acid
- » Started exporting to Japan & other developed countries
- » Changed name to Bhageria Industries from Bhageria Dye Chem
- » Crossed Rs.300 crores of revenues

Growth

2010-2015

- » Merged Nipur Chemical
- » Crossed Rs 70 crores of PAT
- » Listed on NSE
- » Formulated dividend policy
- » Initiated Rs 100 crore capex for backward integration, new products

Next level

2016-Present



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
Jt. 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

Mukund Chitale

Independent Director



- » A renowned CA with over 40 years of experience on advising companies on their business, financial & strategic matters. He was the President of the ICAI during 1997-98

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

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

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

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

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 1.04cr spend in CSR for FY 19 – ~1.5% 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

HISTORICAL FINANCIALS

Statement of Profit & Loss

Rs Cr	FY19	FY18	% Change
Net Sales	462.4	366.8	26.1%
Cost of Materials Consumed	271.4	218.1	24.4%
Employee Benefit Expense	13.5	12.8	5.2%
Other Expenses	52.7	56.1	-6.1%
Total Expenses	337.5	287.1	17.6%
EBITDA	124.9	79.8	56.5%
EBITDA margin	27.0%	21.8%	--
Other Income	5.3	11.5	-54.1%
Depreciation	22.2	22.9	-3.1%
Interest	3.8	6.0	-37.1%
PBT	104.2	62.4	67.0%
Tax Expenses	32.7	22.1	48.2%
PAT	71.5	40.3	77.3%
PAT Margin	15.5%	11.0%	--



Segment result highlights

Rs Cr	FY19	Chemical	Solar
Net Sales	462.4	429.3	33.1
EBITDA	124.9	107.5	29.0
EBITDA margin	27.0%	25.0%	87.5%
Depreciation	22.2	4.7	16.9
EBIT	102.7	102.8	12.1
Capital Employed	365.9 *	197.3	180.9
RoCE	28.1%	52.1%	6.7%

* Excludes unallocated capital employed of Rs. (35.8 cr)

High RoCE of core chemical business



Balance Sheet

Rs Cr	Mar'19	Mar'18
Share Capital	10.9	7.9
Reserves	331.5	287.4
Shareholders' Funds	342.4	295.3
Long Term Borrowings	-	9.2
Deferred Tax Liabilities	50.2	51.6
Long Term Provisions	1.1	0.7
Total Non-Current Liabilities	51.3	61.5
Trade Payables	39.4	52.2
Other Current Liabilities	10.4	13.1
Short Term Provisions	0.1	0.1
Short Term Borrowings	23.5	72.8
Total Current Liabilities	73.4	138.2
Total Liabilities	467.1	494.9

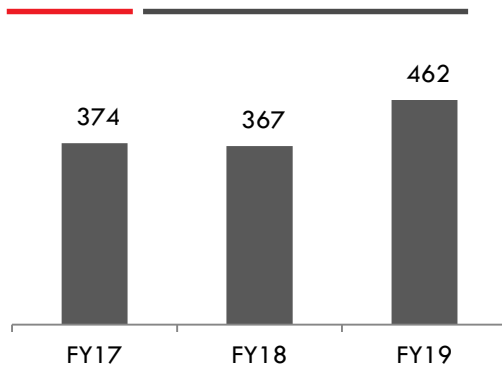
Rs Cr	Mar'19	Mar'18
Fixed Assets incl. CWIP	301.9	303.6
Non-Current Investments	0.5	0.5
Long Term Loans & Advances	19.6	4.7
Total Non-Current Assets	321.9	308.8
Current Investments	9.5	0.8
Inventories	18.7	31.0
Trade Receivables	63.3	87.4
Cash and Bank	35.8	33.0
Other Current Assets	17.9	33.9
Total Current Assets	145.2	186.1
Total Assets	467.1	494.9



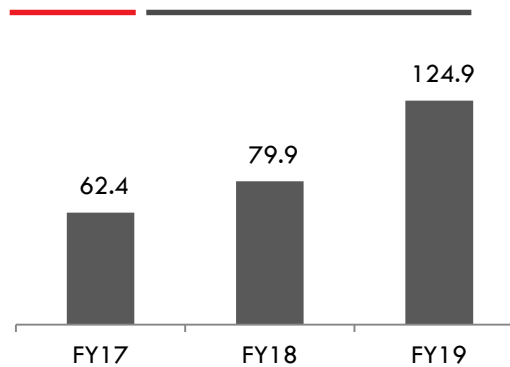
Revenue & profitability

In Rs cr

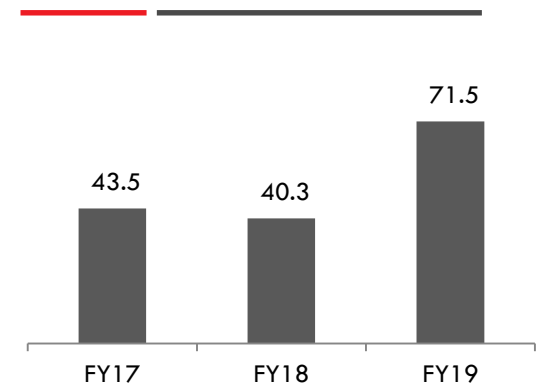
Revenue



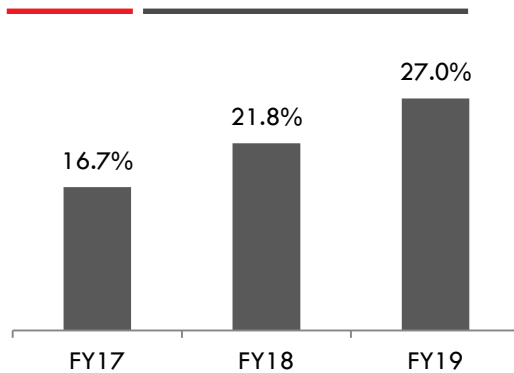
EBITDA



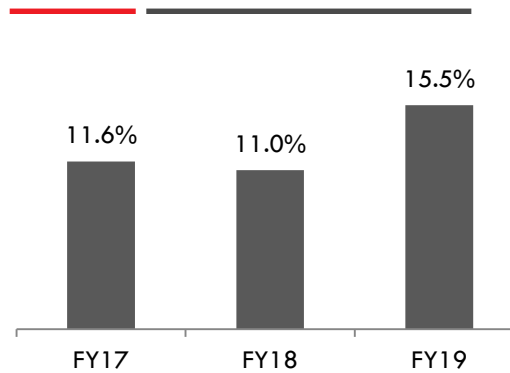
Profit After Tax (PAT)



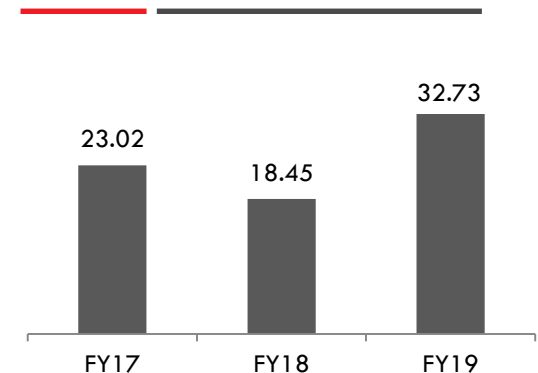
EBITDA Margin



PAT Margin



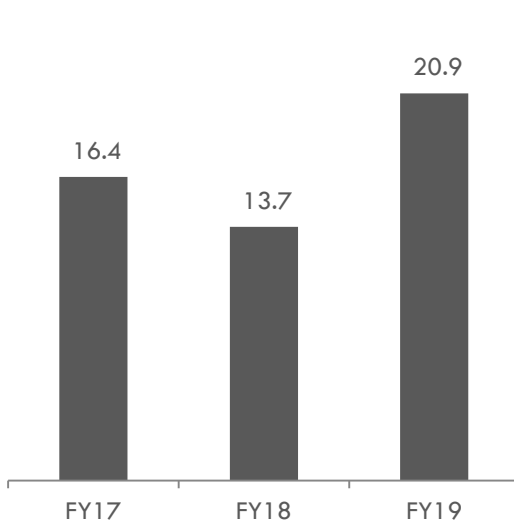
Earning per share (Rs)



Rewarding shareholders

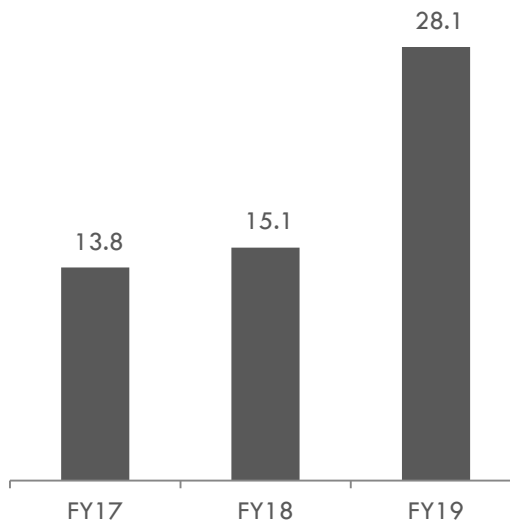
Return on Equity

%



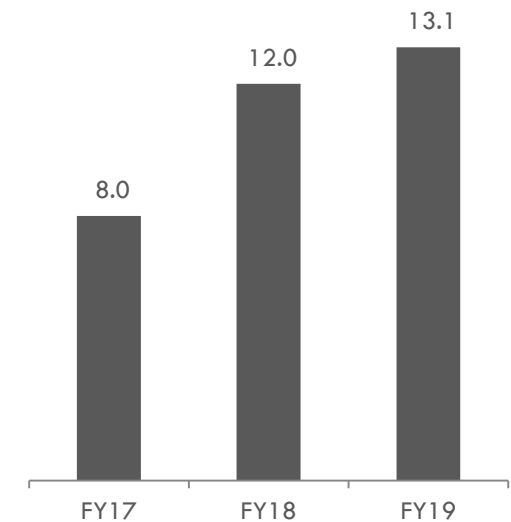
Return on Capital Employed

%



Dividend

Rs in Cr



Announced a bonus issue in the ratio of 1 : 1 in FY19



THANK YOU

Bhageria Industries

Mr. Rakesh Kachhadiya, CFO

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1002, 10th Flr, Topiwala Centre, Goregaon (W), Mumbai



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