



November 13, 2019.

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

**BSE Limited**  
Listing Department  
P.J. Towers, 1<sup>st</sup> 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 2019.**

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 2019 for your information and record.

This is for you information and record

Thanking you,

Yours faithfully,  
For Bhageria Industries Limited

Ketan Gaur  
Company Secretary  
& Compliance officer



Encl: A/a



# BHAGERIA INDUSTRIES LTD

INVESTOR PRESENTATION

Q2 & H1FY20 PERFORMANCE



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# Agenda

- 01 Q2 & H1FY20 Result Highlights**
- 02 Chemical Segment**
- 03 Solar Segment**
- 04 Corporate Overview**
- 05 Historical Financials**

Q2 & H1 FY20

RESULT

HIGHLIGHTS

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# Q2 & H1 FY20 Profit & Loss statement

Rs Cr	Q2FY20	Q2FY19	% Change	H1FY20	H1FY19	% Change
<b>Net Sales</b>	<b>108.4</b>	<b>125.5</b>	<b>-13.6%</b>	<b>209.8</b>	<b>238.8</b>	<b>-12.1%</b>
-Chemical	93.1	118.8		185.4	223.5	
-Solar	5.5	6.7		14.6	15.3	
- Other	9.9	-		9.9		
Cost of Goods Sold	69.2	63.6		127.1	130.6	
Employee Benefit Expense	3.3	3.2		6.7	6.0	
Other Expenses	12.7	13.2		25.3	26.5	
<b>Total Expenses</b>	<b>85.1</b>	<b>80.1</b>	<b>6.3%</b>	<b>159.1</b>	<b>163.1</b>	<b>-2.4%</b>
<b>EBITDA</b>	<b>23.3</b>	<b>45.4</b>	<b>-48.7%</b>	<b>50.7</b>	<b>75.7</b>	<b>-33.1%</b>
<b>EBITDA margin</b>	<b>21.5%</b>	<b>36.2%</b>		<b>24.2%</b>	<b>31.7%</b>	
Other Income	1.4	1.8		3.1	3.1	
Depreciation	5.5	5.4		11.0	10.8	
Interest	0.3	1.2		0.7	2.3	
<b>PBT</b>	<b>18.8</b>	<b>40.7</b>	<b>-53.7%</b>	<b>42.1</b>	<b>65.7</b>	<b>-36.0%</b>
Tax Expenses (Credits)	1.7	12.4		7.9	19.7	
<b>PAT</b>	<b>17.2</b>	<b>28.2</b>	<b>-39.2%</b>	<b>34.2</b>	<b>46.1</b>	<b>-25.8%</b>
<b>PAT Margin</b>	<b>15.8%</b>	<b>22.5%</b>		<b>16.3%</b>	<b>19.3%</b>	



# Balance sheet

Rs Cr	Sep'19	Mar'19
Share Capital	21.8	10.9
Reserves	348.7	331.5
<b>Shareholders' Funds</b>	<b>370.5</b>	<b>342.4</b>
Deferred Tax Liabilities	48.3	50.2
Long Term Provisions	1.6	1.1
<b>Total Non-Current Liabilities</b>	<b>49.9</b>	<b>51.3</b>
Trade Payables	52.1	39.4
Other Current Liabilities	11.3	10.4
Short Term Provisions	0.1	0.1
Short Term Borrowings	32.3	23.5
<b>Total Current Liabilities</b>	<b>95.8</b>	<b>73.4</b>
<b>Total Liabilities</b>	<b>516.2</b>	<b>467.1</b>

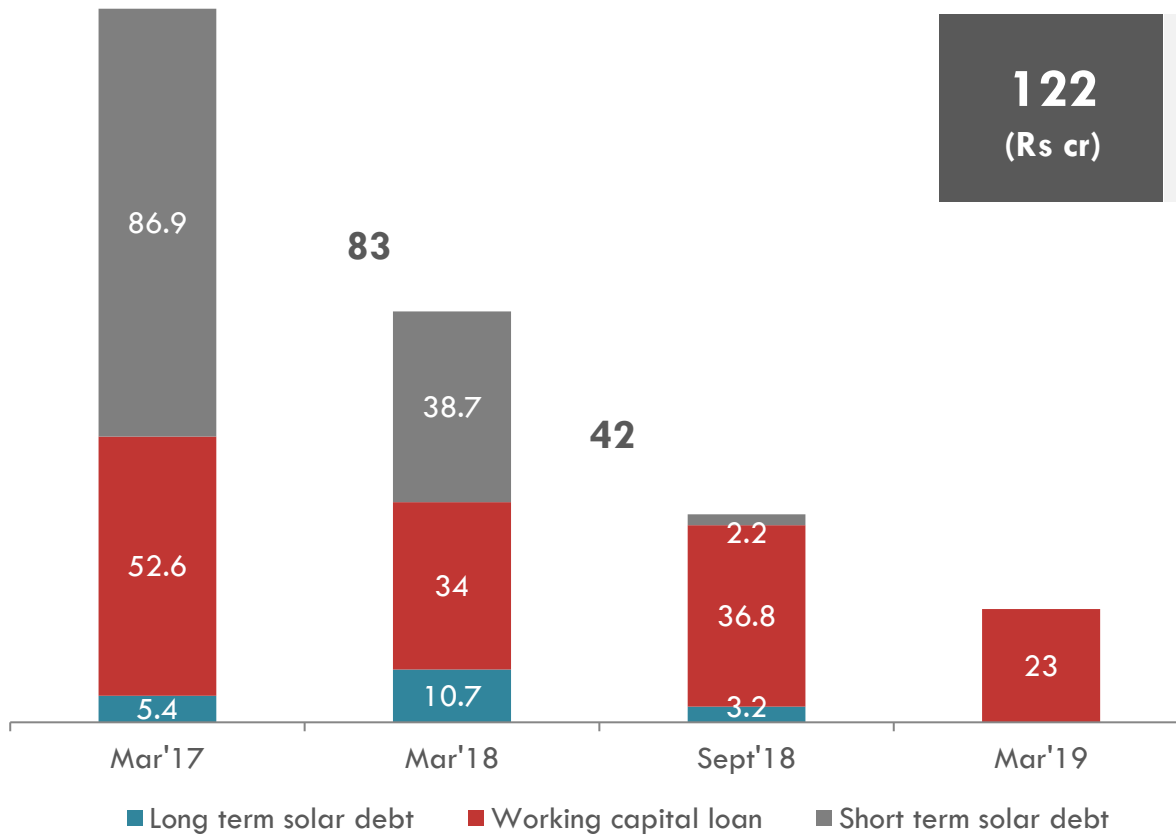
Rs Cr	Sep'19	Mar'19
Fixed Assets incl. CWIP	334.5	301.9
Non-Current Investments	0.5	0.5
Long Term Loans & Advances	4.4	19.6
<b>Total Non-Current Assets</b>	<b>339.3</b>	<b>321.9</b>
Current Investments	0.0	9.5
Inventories	24.8	18.7
Trade Receivables	82.5	63.3
Cash and Bank	49.7	35.8
Other Current Assets	19.8	17.9
<b>Total Current Assets</b>	<b>176.9</b>	<b>145.2</b>
<b>Total Assets</b>	<b>516.2</b>	<b>467.1</b>



# Debt free

Financials in Rs Cr

145



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 Dec'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



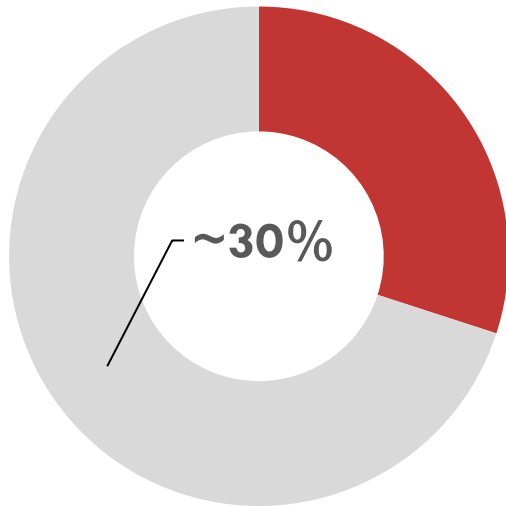
# CHEMICAL SEGMENT



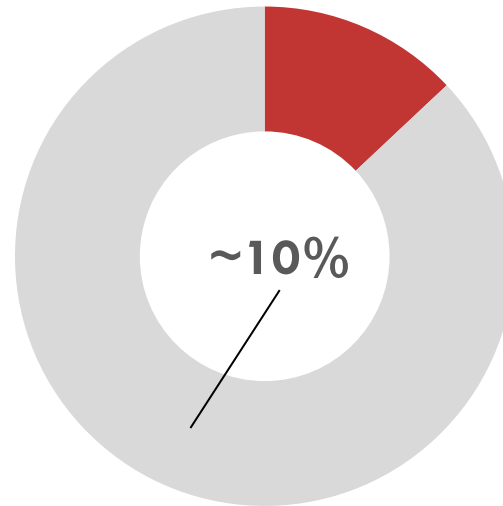
# Leading manufacturer of dye intermediates

Market share of total global capacity

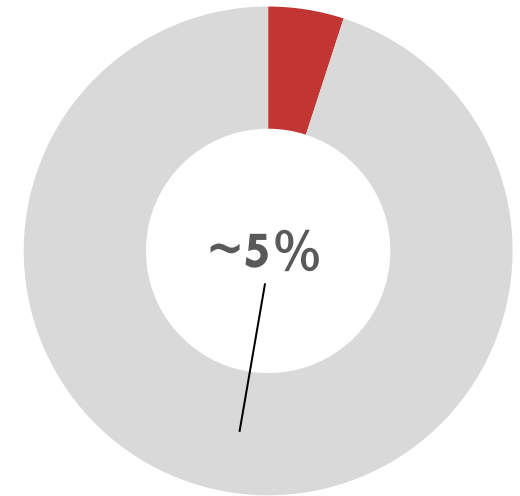
**Gamma Acid**



**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**

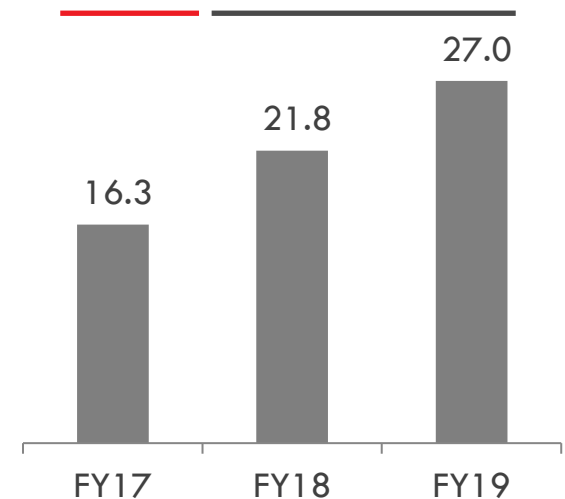
**95%+ Capacity utilisation**

**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



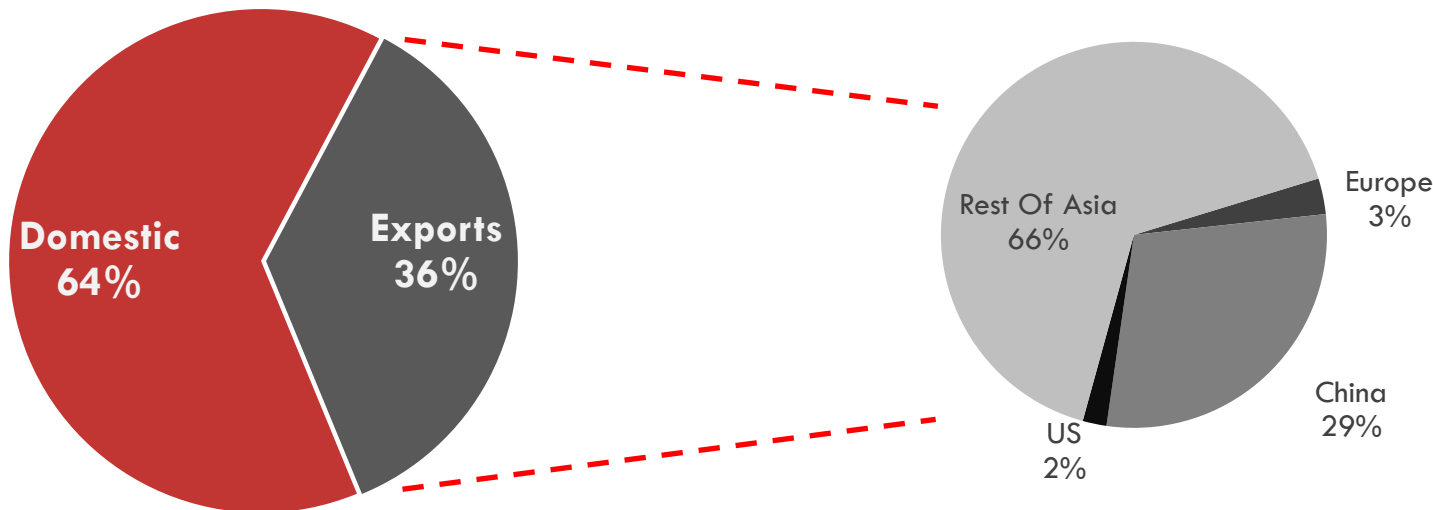
## Boisar, Maharashtra - H-Acid/Gamma Acid

- » 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
<b>Revenue</b>	<b>Rs crore</b>	<b>28.30</b>
Operating expenses	Rs crore	2.35
<b>EBITDA</b>	<b>Rs crore</b>	<b>25.95</b>
Depreciation	Rs crore	14.96
<b>EBIT</b>	<b>Rs crore</b>	<b>10.99</b>
<b>Total Capex</b>	<b>Rs crore</b>	<b>180.00</b>

- » 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



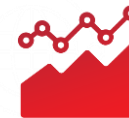
# Company overview

**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

**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
- » Bonus issue in the ratio of 1:1

**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



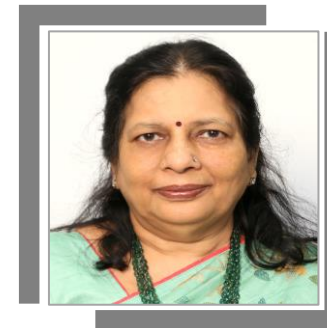
**Vinod Bhageria**  
**Managing Director**

- » 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

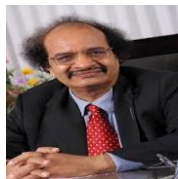
Independent Director



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

## Ganapati Dadasaheb Yadav

Independent Director



- » A renowned chemical professional with 125 national and international honours, awards, fellowships, editorships, etc. He also serves on three renowned public limited companies i.e. Aarti Industries Ltd., Godrej Industries Ltd. and Meghmani Organics Ltd.

# 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

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# Statement of Profit & Loss

Rs Cr	FY19	FY18	% Change
<b>Net Sales</b>	<b>462.4</b>	<b>366.8</b>	<b>26.1%</b>
Cost of Goods Sold	271.4	218.1	
Employee Benefit Expense	13.5	12.8	
Other Expenses	52.7	56.1	
<b>Total Expenses</b>	<b>337.5</b>	<b>287.1</b>	<b>17.6%</b>
<b>EBITDA</b>	<b>124.9</b>	<b>79.8</b>	<b>56.5%</b>
<b>EBITDA margin</b>	<b>27.0%</b>	<b>21.8%</b>	
Other Income	5.3	11.5	
Depreciation	22.2	22.9	
Interest	3.8	6.0	
<b>PBT</b>	<b>104.2</b>	<b>62.4</b>	<b>67.0%</b>
Tax Expenses	32.7	22.1	
<b>PAT</b>	<b>71.5</b>	<b>40.3</b>	<b>77.3%</b>
<b>PAT Margin</b>	<b>15.5%</b>	<b>11.0%</b>	



# Segment result highlights

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

## High RoCE of core chemical business

### Notes:

1. Total of segments' EBITDA does not equal to reported EBITDA of FY19 due to unallocated corporate level expenses
2. Total of segments' capital employed does not equal to total capital employed of FY19 due to unallocated corporate/common capital employed



# Balance Sheet

Rs Cr	Mar'19	Mar'18
Share Capital	10.9	7.9
Reserves	331.5	287.4
<b>Shareholders' Funds</b>	<b>342.4</b>	<b>295.3</b>
Long Term Borrowings	-	9.2
Deferred Tax Liabilities	50.2	51.6
Long Term Provisions	1.1	0.7
<b>Total Non-Current Liabilities</b>	<b>51.3</b>	<b>61.5</b>
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
<b>Total Current Liabilities</b>	<b>73.4</b>	<b>138.2</b>
<b>Total Liabilities</b>	<b>467.1</b>	<b>494.9</b>

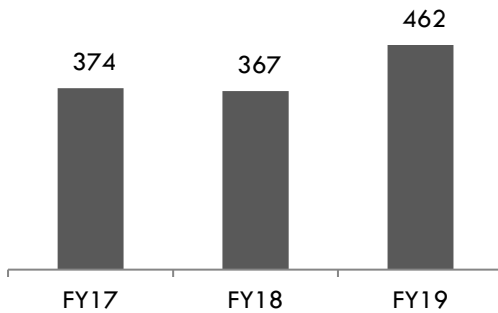
Rs Cr	Mar'19	Mar'18
Fixed Assets incl. CWIP	301.9	303.6
Non-Current Investments	0.5	0.5
Long Term Loans & Advances	19.6	4.7
<b>Total Non-Current Assets</b>	<b>321.9</b>	<b>308.8</b>
Current Investments	9.5	0.8
Inventories	18.7	31.0
Trade Receivables	63.3	87.4
Cash and Bank	35.8	33.0
Other Current Assets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



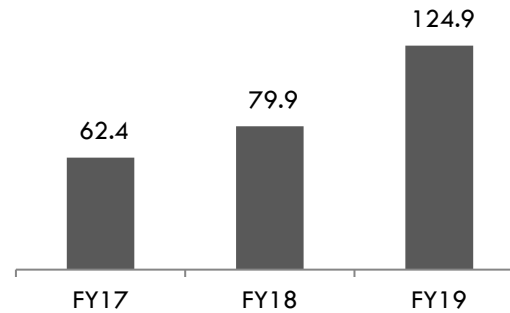
# Revenue & profitability

In Rs cr

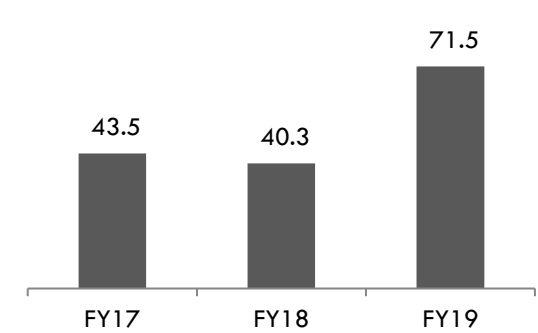
## Revenue



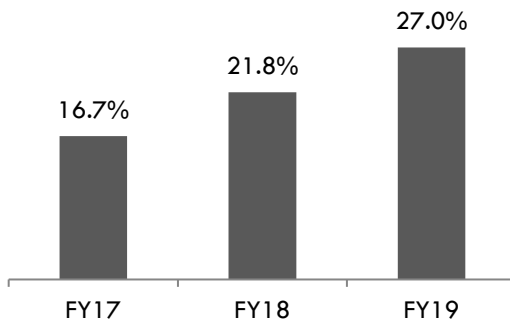
## EBITDA



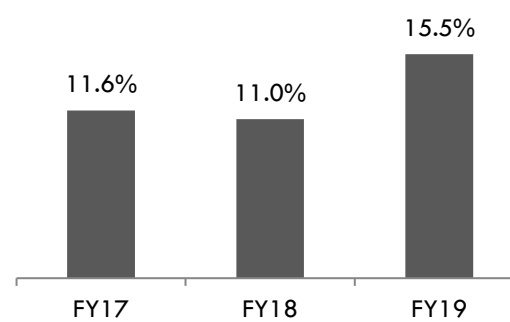
## Profit After Tax (PAT)



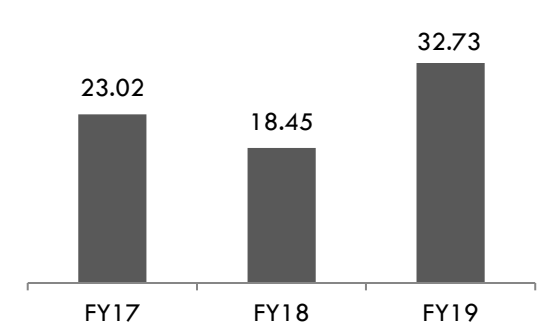
## EBITDA Margin



## PAT Margin



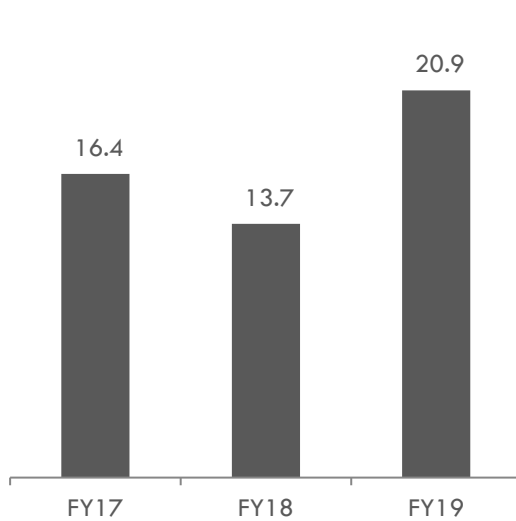
## Earning per share (Rs)



# Rewarding shareholders

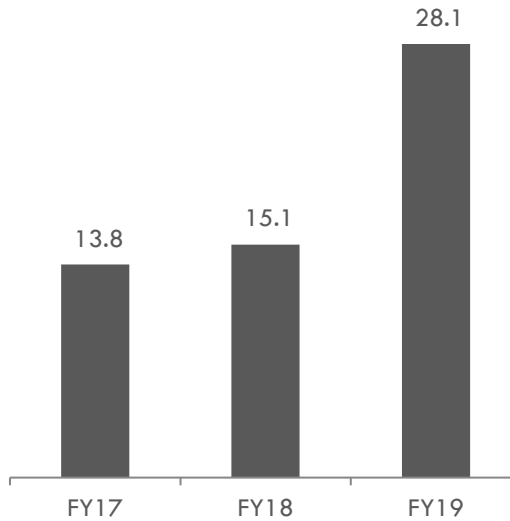
## Return on Equity

%



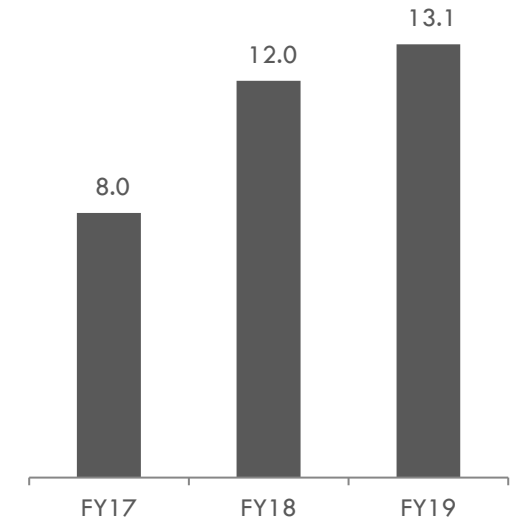
## Return on Capital Employed

%



## Dividend

Rs in Cr



**Announced a bonus issue in the ratio of 1 : 1 in July 2019**



# THANK YOU

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Bhageria Industries

Mr. Rakesh Kachhadiya, CFO

[accounts.mumbai@bhageriagroup.com](mailto:accounts.mumbai@bhageriagroup.com)

1002, 10<sup>th</sup> Flr, Topiwala Centre, Goregaon (W), Mumbai

Pareto Capital (Investor relations advisor)

Ms. Pooja Dokania / Mr. Arpit Gandhi

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Bhageria Industries Limited

