

**Transcript of 31<sup>st</sup> AGM of Bhageria Industries Limited held on 29 August 2020:**

**Mr. Suresh Bhageria:** On behalf of Board of Directors, It gives me immense pleasure to welcome you to the 31<sup>st</sup> Annual General Meeting of your Company.

I hope you and your family members are well and safe in these difficult times of Covid-19 Pandemic.

In view of the widespread of the COVID – 19, this Annual General Meeting is being held through Video Conferencing in accordance with the circulars and guidelines issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

The Company has enabled the Members to participate at the 31<sup>st</sup> AGM through the video conferencing facility provided by CDSL.

Let me introduce you to the members on the Board, who are present with us today.

Mr. Vikas Bhageria-Joint managing Director

Mr. Shashikant Tulsian- Independent Director

Mr. Mukund Chitale –Independent Director

Mr. Surendra Shriram Gupta- Independent Director

Dr. Ganapati Dadasaheb Yadav- Additional Director

Mr. Vinod Bhageria Managing Director of your company is unable to join us today due to some unavoidable circumstances.

In addition to above, Mr. Manish Bohra, Partner, M/s MRB & Associates, Statutory auditor, Mr. Mahesh Soni, Partner M/s GMJ & Associates, Secretarial auditor, Mr. Rakesh Kachhadiya, Chief Financial officer and Mr. Ketan Gaur, Company Secretary are also present with us.

In accordance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Members have been provided the facility to exercise their right to vote by electronic means, either through remote e-voting or by e-voting at the AGM.

Members joining the meeting through video conferencing, who have not cast their vote by remote e-voting, may vote through e-voting facility provided by the CDSL at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM shall not be entitled to cast their vote again.

**Chairman speech -Suresh Bhageria:**

Dear Members,

The recent outbreak of Covid-19 has not only severely impacted millions of lives in India and across the world, but also brought the economy to a grinding halt.

As we enjoy the status of debt-free company it enables us to strengthen our margin and liquidity position. We remain optimistic about our future multiple opportunities that have been presented to us with changing global and domestic circumstances.

Now I would like to share with you the performance of the company during the financial year 2019-20.

The Company recorded revenue of Rs. 419 crore compared to Rs. 468 crore in the previous financial year. Our EBITDA was Rs. 103 crore in Financial Year 2019-20 as compared to Rs. 130 crore in Financial Year 2018-19. The Company reported PAT of Rs. 66 crore as compared to Rs. 72 crore in the previous financial year. There was lower price realization in chemical business due to compression in pricing, lower demand from south- east Asia and lower generation of solar power units (due to lower irradiation) lead to lower revenue generation in solar business.

**Current Scenario:**

In the first Quarter FY 20-21, Company's chemical business were affected due to lockdown imposed, which is expecting to normalize in the second quarter.

**Expansion:**

In the mid of February 2020, your Company has commissioned Sulphuric Acid plant at Tarapur factory. In the first phase our focus will be on the backward integration, Key inputs includes Sulphuric Acid and Derivatives.

In the second phase, your Company will focus on expansion of the basket of dye intermediates. Under this phase, 4,500 MTPA capacity of J-Acid and Tobias will be manufactured at the Tarapur plant, expected to commence by end of Quarter Third, 2020.

**Dividend:**

Despite the Covid-19 uncertainties, Your Board has recommended a dividend of Rs. 3/- per share on face value of Rs.5/- each, which is 60% of the equity share Capital. Company is maintaining same dividend outflow as compared to previous financial year.

If approved by the members, the year 2019-2020 will be 27th consecutive year of payment of dividend of your Company.

**Corporate Social Responsibility:**

Your Company is fully committed towards better development of Community through its CSR initiatives. During the year, your Company has spent a Total amount of Rs. 1.84 crores.

Apart from CSR, we also gave donation to the PM CARES Fund, District Disaster Mitigation Fund (Boisar, Maharashtra) and Chief Minister's Relief Fund (Gujarat) for covid.

I would like to express my appreciation to the Board of Directors for their constant support and guidance in taking the Company ahead. I would also like to thank our employees, financial institutions, vendors, customers and shareholders for their vital contribution in the success of our business.

**Suresh Bhageria:** Now we start with Notice:

With your permission, I take the Notice convening the meeting as read.

Directors' Report: With your permission, I take the Directors' Report including Annexures on the Annual Financial Statements of the Company as read.

Auditors' Report/ Secretarial Audit Report: The Reports of the Statutory Auditors & Secretarial Auditors of the Company do not contain any qualification or adverse remarks, therefore with your permission I take the same as read.

Now we go for Questions and Answer Session:

We have five registered speakers, The Question and Answer Session will be anchored by the Host of the Meeting. Host will allow all Registered Speakers one by one for the Question and Answer Session. Members are requested to unmute their microphone and also enable their web cam, if they wish to appear on the video.

Members are requested to restrict their questions to three minutes, so that all speakers may get an opportunity to share their views. Members are also requested to mention their name, Client ID/folio number and location.

I now request the Host to commence the Question and Answer Session.

**Suresh Bhageria:** First speaker Mr. Dnyaneshwar K Bhagwat.

**Host :** not present sir, we can move to the next one.

**Suresh Bhageria:** Second Speaker Mr. Mukesh M Chandiramani.

**Host:** not present sir

**Suresh Bhageria:** Third Speaker, Mr. Kirti Shah

**Host:** Not Present Sir

**Suresh Bhageria:** Fourth Speaker, Prakashani Ganesh Shenoy

**Host:** Not Present Sir,

**Suresh Bhageria:** Fifth Speaker, Mr. Hariram Chaudhary

**Host:** yes, I will just unmute

**Suresh Bhageria:** speak Hariram Ji

**Hariram Chaudhary:** are you listening?

**Suresh Bhageria:** yes

**Hariram Chaudhary:** My name is Hariram Chaudhary, Suresh Ji you told that you gave donation to PM Care Fund or CM Fund, this is good thing but what we have done directly like whether we have provided bed, Ventilators, PPT Kits?

**Suresh Bhageria:** Your voice is not clear, please speak closely with your speaker.

**Hariram Chaudhary:** am I audible?

I will speak only for two minutes, you please tell me about Covid, whether you have given ambulance, ventilators, PPT Kits.

Also tell me about CSR, whether CSR Expenditure is more than 2% ?

whether we use solar energy, water harvesting?

Please tell me how much shareholder joined through VC and capacity of VC.

I request for Diwali get-together for the shareholders.

Next year we will conduct physical meeting instead of Virtual meeting.

Thank You, I wishes to the company, my name is Hariram Chaudhary.

**Suresh Bhageria:** Host please unmute Shashikant Ji Tulsian

**Host:** yes sir

**Shashikant Tulsian:** Hariram Ji, we were unable to listen you clearly but we registered your queries earlier so I just go through that, we have the provision to connect the 1000 shareholders.

CSR Amount already been given on the page 35 of Balance sheet and we have spent of Rs 1.84 crores which about 2% and within prescribed limit.

Your request for shareholder meeting/get-together, I don't think so till March 21 this kind of proposal is possible.

And about 18 lakhs which have given for covid, we don't have breakup, because we have given to the institutions which has been all specified on page 35 of the balance sheet.

We hope that, we clarifies your all the requirements.

**Suresh Bhageria:**

Since this meeting is conducted by Video Conferencing, we shall not have any proposing and seconding on the resolutions put to vote.

I shall quickly read out all the six resolutions items as per Notice of 31<sup>st</sup> AGM:

Item No. 1: Consider and adopt Audited Financial Statement for the financial year ended March 31, 2020 along with reports of the Board of Directors and Auditors thereon.

Item No. 2 Declaration of Dividend on Equity Shares for the year ended March 31, 2020.

Item No. 3 Appointment of Mr. Vikas Bhageria who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 4 Approval of appointment of Mr. Ganapati Dadasaheb Yadav, Independent Director for a term of 5 consecutive years

Item No. 5 Approval of appointment of Ms. Ameya Prakash Jadhav, Independent Director for a term of 5 consecutive years.

Item No. 6 Payment of Remuneration to M/s Poddar & Co., Cost Accountants, the Cost Auditors of the Company for the Financial Year 2020-21.

The remote e-voting period commenced on August 26, 2020 at 9.00 a.m. and ended on August 28, 2020 at 5.00 p.m.

Members may note that the e-voting on the CDSL platform has been provided throughout the AGM and will continue to be available for the next 15 minutes. Therefore, members who have not cast their vote yet are requested to do so.

Your Company has appointed Mr. Mahesh Soni, Partner, GMJ & ASSOCIATES, Company Secretaries as the Scrutinizer to conduct the voting process in a fair & transparent manner.

**Suresh Bhageria:** Kirti Shah questions has come and I feel we should reply those questions, Mr. Shashikant ji will reply those questions which he has send by mail.

**Shashikant Tulsian:**

Mr. Kirti Shah has not be able to connect, but he has sent the questions, I just bring it on record and I wish to draw the attention of all the shareholder present here as well as to the Company.

**Question:** why March, 20 Quarter Net profit so low Rs. 13.90 crores against Dec 19 Quarter Rs. 17.74 crores?

**Answer:** In Q4 PBT was at 17.64 crores against 18.85 crore in the previous quarter on a Q o Q basis, that mean PBT margin was 17.3 % against 17.8 %. One should read the PBT not the PAT because PAT thereafter tax liability provided on the PBT then arrived at PAT so I don't think that any kind of any drastic fall seen apart from this everybody knows that whole India in fact all Listed companies virtually lost their 15 to 16 % topline because of the COVID problem because march 15 there after we all are facing the problem and in spite of that our turnover has practically remain same and we have been able to post very excellent numbers.

**Question:** Why NPM % is LOW 13.78 % in March 20 against Dec 19 Qtr 16.93 % ?

**Answer:** the same reason which I explained above.

**Question:** Why Low 60% Dividend ?

**Answer:** Let me draw the comparable figures have been declared by the other companies Bhageria declared 60% for FY 20, other companies within same sector, Akshar chem declared dividend 35 %, Bodal chemical declared dividend 40% , Kiri Industries declared dividend 5%, Aarti Industries declared dividend 70% AArti Industries share price rulling at 1000 Rs and they have declared dividend 70% and iam giving the comparative figures of smaller and bigger companies reliance Industries kept the dividend of same 65% and we also kept the dividend of 60% what has been paid the last year. Just give an example of century textile has reduced the dividend from 75 % to 30% . I don't understand that why he feels that 60% of dividend is so low.

**Question:** Dividend yield of 2.53 % is very low?

**Answer:** Yield for Akshar Chem is 1.45 %, In Bodal Chemical dividend Yield is 1.1 % and in Aarti it is 0.35 % and in case of reliance industries is 0.33 %. I our case having a dividend of 2.53 % that seems to be very good.

**Question:** what are you plan for betterment of shareholders?

**Answer:** I think our shareholders are already happy Now just let me give you our background, Company went Public 27 years back at 16 Rs and now one shares has become 4 shares because of split to 5 Rs and because of 1 to 1 bonus and now share has grown 34 times in the last 27 years.

**Question:** Why Price to Book value so Low?

**Answer:** Infact Akshar chem price is ruling at Price to Book of 0.75, bodal chemical is ruling at price to book of 1, while Bhageria is ruling at price to book of 1.29. Price to book is market function on which management has no control or company has no control.

**Question:** Anything Big Wrong in Company? Why not high Book value?

**Answer:** Now our Company is debt free company, highest kind of net worth and highest kind of market cap is enjoyed among the sector, I just compared with Askshar chem, Bodal Chemical, Kiri Industries, Shree hari chemicals, Shree Pushkar.

**Question:** Why return on Equity capital so low 16.36 % ?

**Answer:** Let me first give you the background, Firstly Return on capital is calculated on the PAT basis or on cash profit basis, or on PBT basis. Our case in Bhageria 19.3 % return on equity on PAT, 26% on cash profit or 22.8 % on PBT, while RIL has 10.46 % on PAT against 19.3 % in Bhageria, reliance Industries posted 16.29 % on cash profit against 26% of Bhageria, again reliance industries is 14.06 % on PBT against 22.8% in Bhageria, I am not saying that we are much bigger than the reliance industries but the profitability ratio is definitely much better than any other comparable industry or may be the sector.

**Question:** When your plan to improve? Kindly Restructure Company fast

**Answer:** We are doing quite well and all the shareholder are in very happy.

**Question:** Have you received any Notice from BSE/NSE/ RBI/ROC/SEBI/MCA/banks? Have you paid any Penalty in last year? To whom paid? How Much?

**Answer:** everything has been disclosed in Corporate Governance report.

**Questions:** How much growth you see in two years in profit?

**Answer:** we don't give any guidance.

**Question:** Where CWIP? How much Amount? How means of Finance? Break even?

**Answer:** Capital work in progress expansion in chemical segment and this has been financed from the internal accruals.

**Question:** How much Present lease rent received and Paid?

**Answer:** All this has been covered in the financials.

**Question:** We default or delayed in payments?

**Answer:** No default or delaying in payment

**Question:** How much bad Debts in last 3 years? How much received back?

**Answer:** In last three year we have the bad debts of Rs 9 Lakh and that has been not received back.

**Question:** To whom we given Donaton and CSR money?

**Answer:** that already has been given in the page 36 of annual report.

**Suresh Bhageria:** Mr. Vinay Bhide, speak

**Vinay Bhide:** Hello are you able to hear me sir?

**Suresh Bhageria:** Ya Speak, Speak

**Vinay Bhide:** Ok fine, I don't think so my video is there but I got a few questions, chairman and managing directors, participating entities, fellow shareholders good Morning to all of you. I have very few queries to ask. Company is doing very well, I congratulate the directors and management for that, I have just two questions sir, the first Question is on the Tarapur expansion we planned for two products you mentioned the annual report first one is J Acid and second is Tobias. can you please tell us sir for sake of information which are the end users for these two products from the Tarapur plant. And then second question that in report there have been mentioned that for H Acid and Gama Acid, Please tell us who are the other competitor are there.

I once again thank you for able me to speak and I support all the resolutions sir, Thank you so much.

**Suresh Bhageria:** first question for Tobias for end user, We manufacture for us so It will raw material for us and the second use is it will be use in the manufacturing of J Acid. J Aicd has got the ultimate use in dye industries so both the product, we have the same customer, so there will be no problem in merchandise base. At the movement no body in India is manufacturing these products we will be the first manufacturer in the India to manufacture Tobias and J Acid. At that movement for H Acid, Bodal is the top most producer and for Gama acid we are the top most producers. We have the Capacity expansion going on I hope by this end of year our capacity of H Acid will be par at the Bodal and the Gama Acid certainly we are the leader in the Indian industry. I hope Vinay we have replied to all your questions.



**Suresh Bhageria:**

As the meeting has considered all the matters, I now declare the meeting as closed.

I on behalf of the entire Board of Directors of the Company express my gratitude to our valued shareholders for attending this meeting and making it a success. We pray for the healthy and safe life of our Shareholders and their family's members.

HAPPY GANAPATI AND FESTIVE SEASON AHEAD.

Thanking you.

Kindly note that the results of e-voting will be announced within 48 hours of conclusion of the AGM in compliance with Regulation 44 of SEBI Listing Regulations.

Thank You.