

**Transcript of 32<sup>nd</sup> AGM of Bhageria Industries Limited held on July 31 2021:**

**Mr. Krunal Wala (Company Secretary):** On behalf of Board of Directors, It gives me immense pleasure to welcome you to the 32<sup>nd</sup> Annual General Meeting of your Company.

In view 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 32<sup>nd</sup> AGM through the video conferencing facility provided by CDSL.

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

<b>Director Name</b>	<b>Designation</b>
Mr. Suresh Bhageria	Chairman
Mr. Vinod Bhageria	Managing Director
Mr. Vikas Bhageria	Jt. Managing Director
Mr. Surendra Shriram Gupta	Independent Director
Dr. Ganapati Dadasaheb Yadav	Independent Director
Ms. Ameya Prakash Jadhav	Independent Director

In addition to above, Mr. Manish Bohra, Partner, of M/s. MRB & Associates, Statutory auditor, Mr. Mahesh Soni, Partner of M/s. GMJ & Associates, Secretarial auditor, Mr. Rakesh Kachhadiya, Chief Financial Officer and Myself Krunal Wala, Company Secretary of the Company.

Mr. Mukund Chitale, Independent Director of the Company couldn't make possible to attend this Meeting due to some preoccupation.

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 casted their vote by remote e-voting prior to the AGM shall not be entitled to cast their vote again.

**Now I would like to request Chairman to share his thoughts with Members.....**

## **Mr. Suresh Bhageria (Chairman) - Chairman Speech:**

### **Good Morning**

Dear Members,

India and many other parts of the world are in the grip of second or even third waves of the pandemic, much fiercer than anything we saw last year. It is a health crisis of the kind we have not seen in generations. My heart goes out to everyone out there who has suffered the loss of loved ones. I am confident we will eventually get it under control, but until then, I urge you to stay safe, follow COVID discipline, get vaccinated and keep your spirits up.

The pandemic has been a particularly difficult period. But, Bhageria Industries Limited has been able to resume business operations despite hardships and has reached pre-COVID level. Our profitability also stands at par with levels achieved last year.

Now I would like to share with you the performance of the company during the financial year 2020-21.

The Company recorded revenue of ₹ 403.63 Cr. compared to ₹ 419.28 Cr. in the previous financial year. Our EBITDA was ₹ 107.67 Cr. in Financial Year 2020-21 as compared to ₹ 103.18 Cr. in Financial Year 2019-20. The Company reported PAT of ₹ 62.46 Cr. as compared to ₹ 65.81 Cr. in the previous financial year.

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.

### **Current Scenario:**

The Local demand was slag and affected Business of the Company due to the second wave of pandemic, in spite of that the Company has recorded Net Profit of ₹12.76 Cr for the quarter ended June 30, 2021.

### **Expansion:**

At the end of May 2021, your Company has launched new product so called as "J-Acid" and commenced production at Tarapur factory. At present Bhageria Industries is the only manufacturer of "J-Acid" in India.

In the second phase, your Company will focus on expansion through backward integration.

**Dividend:**

Despite the Pandemic, Your Board has recommended a dividend of Rs.3.5/- per share on face value of Rs.5/- each, which is 70% of the equity share Capital.

If approved by the members, the year 2020-2021 will be 28<sup>th</sup> consecutive year of payment of dividend of your Company.

**Corporate Social Responsibility:**

Your Company is fully committed towards better development of the Community through its CSR initiatives. During the year, your Company has spent a Total amount of 166.81 Lakhs out of which 97.5 Lakhs towards Promoting Education, 41.81 Lakhs towards Promoting Health Care and 16.5 towards Rural Development.

**Vaccination of Employees/Workers:**

The Company has vaccinated 90% of his Staff along with their family members from all the locations. Further, the Company has made an application to **District Medical and Health Organization** to setup Workplace COVID Vaccination Centre for our workers. The necessary approval from the department is awaiting.

**Acknowledgment:**

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

As the shareholders have increased from 11,000 to 15,000 approx. thereby I would also like to appreciate all the shareholders for believing in us and showing confident towards the Company.

**Mr. Krunal Wala (Company Secretary): Thank you Sir,**

**Moving Forward.....**

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

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

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.

We have 5 registered speakers, The Question and Answer Session will be anchored by Mr. Jaysheel, 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.

**Mr. Jaysheel over to you.....**

**Host:** Thank you Sir.

I just go through the list of the speaker one by one and after announcing the name I will unmute them for their questions.

**First Speaker:** Ms. Lekha Satish Shah, Not present sir, we can move to the next one.

**Second Speaker:** Ms. Prakashini G Shenoy, Not present

**I am shifting to Third Speaker:** Mr. Nirav Jimudia, Not present

**I am moving to Fourth Speaker:** Mr. Keshav Garg, He is also not with us Sir

**Last Speaker:** Hello Mr. Vinod Agarwal can you hear me hello

**Mr. Vinod Agarwal (Fifth Speaker):** Yes I can. Yeah, I'm starting my video, respected chairman Suresh Bhageria. You can hear me...hello

**Host:** yes they can here you please go ahead

**Mr. Vinod Agarwal (Fifth Speaker):** Chairman You can hear me...

**Mr. Suresh Bhageria (Chairman):** I can hear you, please go ahead

**Mr. Vinod Agarwal (Fifth Speaker):** Yeah Yeahh... respected Chairman Mr. Suresh Bhageria Ji, Managing Director Mr. Vinod Bhageria Ji, Independent Director Mr. S. P. Tulsian Ji, Company Secretary Mr. Krunal Wala Ji and our Chief Financial Officer Mr. Rakesh Kachhadiya Ji regards to everyone and Good Morning to everyone..

My Self Mr. Vinod Agarwal speaking from Mumbai, I have gone through you're Annual Report and I am happy with it, you have done 404Cr of revenue of Last year and 30Cr from Solar energy, you got PPA of 3.78 MW with Asahi and other Companies @ Rs.6.61 that is very good PPA rate for solar energy with Private Company and you got 30 MW Full Solar Power @4.41 PPA that is also very good sign Sir

On the foreign Exchange site sir your outgo is 4498.21 against the inflow of 7435.74 and on the CSR Fund you spend 166.81 Lakhs Hellooo.....Helloooooo.....Helloooooo

**Host:** You can you can keep on continue, we can hear you loud and clear.

**Mr. Vinod Agarwal (Fifth Speaker):** On CSR you have spent 166.81 Lakhs against the mandatory it was 163.44 so you have done mandated amount on CSR. You also stopped coal fired Boiler by utilizing steam generated from the Sulphuric Acid it making one idea about the Par steam turbine its very good sign sir green sign sir you are reducing carbon efficiency carbon dioxide this things.

Another thing I have seen in annual report is Cash and Cash equivalent Bank about the 56Cr when I go through the Note No. 12, 13 & 15 of the consolidated statement you got about 56Cr net liquidity, now what is this liquidity are likely to use for and last year you had a capital expenditure of 45Cr now was it for the J-Acid plat which has come up in May 2021 which has come up and has that 45Cr has been spent on that plant or it is still in working process and what is 45Cr working process for and another thing Net-worth is 451.48Cr and your ROI 15% and ROC 18% Debt free you are that is very good sign i.e.56Cr which I am seeing is cash liquidity is available with the Company are we likely and we have got 85% of capacity utilizing so now this 85% is threshold to put up new plans are we like to put up some plans because almost to the virtual end us of capacity if the more demands come you will not able to we have to add some extra capacity from 85% to other capacities and this is my observation.

And another thing which is very serious fault which is in the annual report on page no 8 & 9 if you got to go through it, just go through it Page 8 & 9 and it shows the map of 13 countries to which we are exporting it Sir or where we are operating from 13 country in

this in the Indian territory in POK has been shown as Pakistani territory and the aksai chin part has not been shown as Indian territory. It has been left as blank to be part of China or India and it has not been shown as clearly. If you can see on the Kashmir part of the map, this is Laguna. I am just pointing out. Take care in the future and this thing. It does not arise again in the future, so I'm signing off from Mumbai and Vinod Agarwal I was the only speaker in this gym.

Thank You.

**Host:** Thank you, Mr. Vinod Agarwal. Now with this we don't have any other speaker to continue, so I'll request Chairman to proceed further.

**Mr. Suresh Bhageria (Chairman):** Now answering to quires raised by Mr. Vinod Agarwal regarding

**Question:** Capital Work in Progress

**Answer:** CWIP relate to ETP Plant at Vapi & Tarapur, as well as Tobias & J Acid plant at Tarapur and Capex of Building in Vapi Plant

**Question:** J Acid Plant

**Answer:** J-Acid Plant commenced from May 27, 2021. Investment of Rs. 34 Cr for 150MTPM J Acid & Tobias Acid Plant Backward Integration

**Question:** What is the outlook for FY22 in terms of topline & bottomline -?

**Answer:** the second wave of covid had a huge impact on the lives of the people in India as it resulted in lockdowns in various states. We were also impacted as the demand was lower than the expectation. But things have been started to normalize, and we see demand coming back on track with lot of inquiry coming in, we remain confident to grab the opportunity arising in the market. On the outlook for FY22 we believe, 15 - 20% is the target set based on the estimated and inquiry we receive, which may vary if we are hit by the third wave of covid.

**Question:** Why our revenues & EBITDA is flat since past 3 years -?

**Answer:** the performance of past 2 years was lower on account of covid 19 pandemic which started to have a significant impact on the overall global economy since the March 2020. The last month of the financial year 2020 had a lockdown and the financial year 2021 had a continued effect of the covid where people were forced to stay at home and work from home.

**Question: How much is our J Acid & Tobias acid capacity & what revenue can we generate at full capacity utilization -?**

**Answer:** Our installed capacity of J Acid is 150 MT per month which can give us a revenue of about Rs 70 - 75 Cr annually.

**Question: You claim that you are the only manufacturer of J-Acid in India right now, but I understand that Boisar based Vivid Global Industries Ltd. is also manufacturing J Acid since last year -?**

**Answer:** They have stopped the manufacturing of J-Acid & Vivid Global Is Manufacturer of Derivatives of J Acid.

**Question: What is the sustainable steady state OPM (Operating Profit Margin) that we should expect - ?**

**Answer:** We expect the OPM to remain in the current levels with plus or minus 1-2% depends on various factors.

**Question: What is the maintenance capex that we have to incur each year - ?**

**Answer:** Our annual maintenance capex would be around Rs.10 crores

**Question: What is the business of our subsidiary, Bhageria Exim Private Limited, which we floated last year -?**

**Answer:** Trading Activity in Steel and Chemicals (Estimated annual Revenue -Rs. 20 Cr to 25 Cr with NP margin between 8%-10%)

**Question: What is the pricing arrangement that we have with our customers -?**

**Answer:** We work on a fixed price contract for the order. (as order are fulfilled in a short span of time)

**Question: Do we have fixed price contracts or formula based contracts wherein raw material cost is pass through -?**

**Answer:** There is no pass through, and we have a fix price for the order. (The raw material price is absorbed by us, but while determining the selling price we take into account the changes in raw material price. So, in a way it's a pass though.)

**Question: How much revenue will our 4500 TPA greenfield pigment intermediates plant generate at full capacity & what are the expected margins on the same -?**

**Answer:** Right now we have applied for the required approvals with concern authority. Once we get the approval we will be able to further comment on this.

**Question:** Discrepancies in MAP

**Answer:** About the discrepancies pointed out of the MAP. It's almost like we have a bad product detail. Some part of the India has been shown. Pakistan has been shown in India, but it's simply printing mistake we had that in future will take care of this before printing.

**Mr. Krunal Wala (Company Secretary):** Hoping that all the queries raised by Mr. Vinod Agarwal and questions received from Mr. Keshav Garg through email were satisfactorily answered by Mr. Suresh Bhageria (Chairman)

If member have any further queries they can write to us on [info@bhageriagroup.com](mailto:info@bhageriagroup.com).

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 seven resolutions items as per Notice of 32<sup>nd</sup> AGM:

- |            |   |
|------------|---|
| Item No. 1 | Consideration and adoption of the Audited Financial Statement (i.e. Standalone & Consolidated) for the financial year ended March 31, 2021 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, 2021.   |
| Item No. 3 | Appointment of Mr. Suresh Bhageria who retires by rotation and being eligible, offers himself for re-appointment.   |
| Item No. 4 | Approval of re-appointment of Mr. Suresh Bhageria as the Executive Chairman (Whole-time Director) of the company for a term of 3 years.   |
| Item No. 5 | Approval of re-appointment of Mr. Vinod Bhageria as Managing Director of the company for a term of 3 years.   |
| Item No. 6 | Approval of re-appointment of Mr. Vikas Bhageria as the Jt. Managing Director (Whole Time Director) of the company for a term of 3 years.   |
| Item No. 7 | Payment of Remuneration to M/s Poddar & Co., Cost Auditors of the Company for the Financial Year 2021-22.   |

The remote e-voting period commenced on July 28, 2021 at 9.00 a.m. and ended on July 30, 2021 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 casted their vote yet are requested to do so.

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



Kindly note that the results of e-voting will be announced within 2 working days from the conclusion of the AGM in compliance with Regulation 44 of SEBI Listing Regulations. The Consolidated results will be displayed on the website of the Company and will also be intimated to BSE and NSE respectively.

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

Now, I would like to request chairman to give conclusion statement to our members.

**Mr. Suresh Bhageria (Chairman):** 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.

Happy Independence Day to all in advance and festive season ahead, let us pray to Ganpati Bappa so that he will free us from corona pandemic and we get chance next year to have a physical meeting.

“Stay Safe, Stay Healthy At Home!!”

Thank you...

**All The Directors Together:** Thank You.....Thank You.....